

LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF ALPINE

Teola L. Tremayne
Executive Officer

P.O. Box 158
Markleeville, CA 96120

Telephone 530-694-2281
FAX: 530-694-2491

SPECIAL MEETING AGENDA
FEBRUARY 7, 2022
10:00 A.M.
VIRTUAL ONLY

Notice is hereby given that the Local Agency Formation Commission of the County of Alpine (LAFCO) will meet on February 7, 2022 at 10:00 a.m. by zoom only.

Join Zoom Meeting or dial 346.248.7799

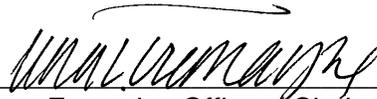
<https://us06web.zoom.us/j/81515144336?pwd=eG9EVi9EeHZ3MDVLYlIBT1dSUHpndz09>

Meeting ID: 815 1514 4336

Passcode: 280944

- 1. CALL TO ORDER / ROLL CALL OF MEMBERS**
Commissioners January Riddle, Terry Woodrow, Ron Hames, Kris Hartnett and Evan Mecak. Alternate Commissioner David Griffith and one public vacancy alternate.
- 2. NEW BUSINESS**
 - 2.1** Presentation by Prentice Long, PC representative Margaret Long regarding LAFCo policies and procedures.
- 3. ADJOURNMENT**
The Local Agency Formation Commission will adjourn to the next regular meeting on Tuesday, February 15, 2022 at 1:30 p.m. at the Alpine County Government Center.

Dated this 4th day of February, 2022.



Teola L. Tremayne, Executive Officer / Clerk
Alpine County Local Agency Formation Commission

Alpine Local Agency Formation Commission

Commissioner's Handbook

POLICIES, STANDARDS and PROCEDURES

Adopted June 21, 2011

TABLE OF CONTENTS

	PAGE
A. HISTORICAL BACKGROUND	4
B. ROLE OF LAFCO	5
LEGISLATIVE INTENT	5
DECISION MAKER	6
C. THE COMMISSION	6
MEMBERSHIP	6
PRODECURES FOR SELECTION OF PUBLIC MEMBERS	7
POLITICAL REFORM ACT, CONFLICT OF INTEREST	8
MEETING SCHEDULE OF ALPINE COUNTY LAFCo	8
D. LAFCo POWERS AND DUTIES	8
LAFCo POWERS	8
FACTORS TO BE CONSIDERED IN REVIEWING A PROPOSAL	10
CEQA, ENVIRONMENTAL REVIEW	11
TERMS AND CONDITIONS OF LAFCo'S APPROVAL	12
SPHERES OF INFLUENCE	13
OTHER FUNCTIONS	14
APPENDIX A	16
BASIC PROCEDURES AND APPLICATION SUBMITTAL REQUIREMENTS	17
LAFCo PROCEDURES	17
PRELIMINARY STEPS	17
LAFCo PROCEEDINGS	20
CONDUCTING AUTHORITY PROCEEDINGS	22
COMPLETION AND EFFECTIVE DATE	23
APENDIX B	24
PROPOSAL EVALUATION POLICIES	25
APPENDIX C	27
RULES AND REGULATIONS	28
SECTION 1 - GENERAL PROVISIONS	
1.1 AUTHORITY	
1.2 REPEALED	
1.3 AMENDMENT	
SECTION 2 - COMMISSION MEETINGS	28
2.1 REGULAR MEETINGS	
2.2 SPECIAL MEETINGS	
2.3 ADJORNED MEETINGS	
SECTION 3 - MEMBERSHIP AND ATTENDANCE	28
3.1 REGULAR MEMBERS	
3.2 ALTERNATE MEMBERS	29
3.3 ATTENDANCE	
3.4 ABSENCE	
SECTION 4 - CHAIRPERSON AND VICE-CHAIRPERSON	29
4.1 ELECTION OF CHAIRPERSON	
4.2 DUTIES OF CHAIRPERSON	

4.3 VICE-CHAIRPERSON	
SECTION 5 - COMMISSION STAFF	30
5.1 EXECUTIVE OFFICER	
5.2 LEGAL COUNSEL	
5.3 CLERK TO THE COMMISSION	
5.4 ADDITIONAL STAFF	30
SECTION 6 - CONDUCT OF MEETINGS	30
6.1 QUORUM	
6.2 VOTE REQUIREMENTS	
6.3 VOTING PROCEDURE	
6.4 MEETING PROCEDURE	
6.5 PUBLIC PARTICIPATION	
SECTION 7 - DISQUALIFICATION	31
7.1 CONFLICT OF INTEREST	
7.2 DISQUALIFIED COMMISSIONERS	
7.3 CHANGES OR ORGANIZATION/REORGANIZATION	
7.4 SPHERES OF INFLUENCE	
7.5 CLOSED SESSIONS	
SECTION 8 - SUBMISSION OF PROPOSALS	32
8.1 FORM	
8.2 FILING FEE	
8.3 FILING	
8.4 PRE-ZONING	
8.5 WITHDRAWAL	
8.6 CONTINUANCE	
8.7 INFORMATION REQUESTS	
SECTION 9 - COMPENSATION OF COMMISSIONERS	33
9.1 COMPENSATION	
APPENDIX D	34
CONFLICT OF INTEREST CODE	35
APPENDIX E	67
EXECUTIVE OFFICER'S JOB DESCRIPTION	68
APPENDIX F	70
ALPINE COUNTY SPECIAL DISTRICTS	71

A. HISTORICAL BACKGROUND

The end of World War II saw California experiencing a tremendous population increase, which resulted in the sporadic formation of cities and special service districts. The results of this development boom became evident as more of California's agricultural land was converted to urban uses. Premature and unplanned development resulted in inefficient, expensive public services delivery systems, as well as the formation of various small units of local government.

In 1959, in recognition of this problem, Governor Edmund G. Brown appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of overlapping, local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of a Local Agency Formation Commission, or "LAFCo", operating in each County except San Francisco.

In 1965, the Legislature approved the District Reorganization Act (DRA). This Act combined separate laws governing special district boundaries into a single law. Another law, the Municipal Organization Act of 1977 (MORGA) consolidated various laws on city incorporation and annexation into one law.

These three laws contained many parallel and duplicative provisions. However, similar procedures varied slightly from one law to another, and the procedures necessary for one type of boundary change were found in vastly different sections of the three laws. All three laws contained application and hearing procedures for LAFCOs, but there were inconsistencies among them. This made city and district boundary changes unnecessarily confusing and complicated for local agencies and LAFCOs, as well as for residents and property owners.

In California, the Cortese-Knox Local Government Reorganization Act of 1985 followed several years of cooperative effort between Assembly Member Dominic Cortese, former Chair of the Assembly Local Government Committee, and the California Association of Local Agency Formation Commissions (CALAFCO). The Act, which became operative January 1, 1986, consolidated three major laws, which were previously used by California's local governments for boundary changes, into a single unified law.

The Cortese-Knox-Hertzberg Local Governmental Reorganizational Act of 2000 (AB 2838) further enabled LAFCOs to play a lead role in the orderly development of all local agencies. Government Code Section 56001 reiterates and emphasized the State Legislature's policies of:

- Discouraging Urban Sprawl and Promoting Orderly Development
- Accommodating Growth Within the Agencies Which Can Best Provide Services
- Efficiently Extending Government Services
- Collaboration Amongst Local Officials in Addressing Regional Growth Issues
- Preserving Open-Space
- Providing Housing for People of all Incomes
- Giving Responsibility to the Agency that can Best Provide Government Services

B. THE ROLE OF LAFCO

LEGISLATIVE INTENT

LAFCOs review proposals for the formation of new local governmental agencies and changes of organization in existing agencies. In California there are 58 LAFCOs working with nearly 4,000 governmental agencies in 58 counties, over 500 cities and over 3,000 special districts. Agency boundaries are often unrelated to one another and sometimes overlap at random, often leading to higher service costs to the taxpayer and general confusion regarding service area boundaries. LAFCO decisions strive to balance the State's competing needs for affordable housing, economic opportunity, and conservation of natural resources.

In enacting the Cortese-Knox Local Government Reorganization Act, the Legislature set forth the intent, purpose and responsibilities of the Local Agency Formation Commission (LAFCO). Guidance as to the primary purpose of LAFCO, provided in Section 56001, states in part:

“The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development...

... The Legislature finds and declares that a single governmental agency, rather than several limited purpose agencies, is in many cases better able to access and be accountable for community service needs and financial resources and, therefore, is the best mechanism for establishing community service priorities.”

Section 56301 specifies the purposes of the Commission. Among the purposes of a commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies in each county and to shape the development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.

The Legislature provides further guidance to the Commission regarding the importance of maintaining open space within urban development patterns in Section 56377 of the Act:

“In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate or lead to the conversion of open space lands to uses other than open-space uses, the commission shall consider the following policies and priorities:

- (a) Development or use of land for other than open-space shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned orderly, efficient*

- development of an area.”*
- (b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of the local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing sphere of influence of the local agency.”*

In addition to these specific policy statements, LAFCo must also consider the legislative intent and policy statements contained in the California Environmental Quality Act of 1970 (CEQA). Commissioners are referred to the CEQA Handbook for further information regarding CEQA.

DECISION MAKER

LAFCo is a quasi-legislative decision making body which is separate from, yet responsive and sensitive to the needs of each local governmental agency as well as the public-at-large. The members of the Commission, by majority action, establish public policy in the areas of annexations, urban patterns, provision of public services, and jurisdictional relationships between local governmental agencies. Clearly, LAFCo must maintain a regional, long-range perspective in exercising its authority and jurisdiction.

The wide range of duties and responsibilities of the Commission require each member to weigh the evidence and render: (1) Technical decisions based upon the need for and adequacy of public services, compatibility of proposals with long-range plans, and financial viability; and (2) Policy decisions regarding such matters as urban sprawl, agricultural preservation, orderly growth and development, and environmental concerns. In considering these two aspects of the decision making process, the Commission must balance often conflicting concerns for short-term gain versus long-range goals and objectives.

C. THE COMMISSION

The Local Agency Formation Commission is established as an independent body. In consideration of LAFCo's underlying purposes, the Commission should be independent in weighing and reviewing information and in making determinations upon the particular matter under review. The Commission should not allow itself to become unduly influenced by a single point-of-view.

MEMBERSHIP

LAFCo Commissioners are selected from the groups most affected by its decision: the special districts, the County, and the public at large. Since there are no cities in Alpine County, LAFCo is composed of five members serving a four-year term. The expiration date of the term of office for each member is the first Monday in May, in the year the term expires. Membership may be further augmented pursuant to Sections 56332 and 56332.5. These members include: (See 56329, 56331, 56332, 56332.5)

- Three appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a fourth supervisor who is an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in

a meeting of the commission. If the office of a regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

- Two representing the general public appointed by the other three members of the commission. The commission may also appoint one alternate public member who may serve and vote in place of a regular public member who is absent or who disqualified himself or herself from participating in a meeting of the commission. If the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy. Selection of the public members and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities. No person appointed as a public member or alternate public member pursuant to this chapter shall be an officer or employee of the county or any city or district with territory in the county.

PROCEDURES FOR SELECTION OF PUBLIC MEMBERS

Prior to selecting a LAFCo public or alternate public member, the following procedures shall be followed and carried out by LAFCo staff:

1. Distribute a Notice of Vacancy to all posting places which:
 - a) Solicits nominations and applications
 - b) Specifies a one-month filing period
 - c) Briefly explains LAFCo's function
 - d) Indicates where forms can be acquired and identifies a contact person
2. Forward application forms to any interested individuals.
3. Receive the applications and prepare a list of applicants.

LAFCo shall:

1. Review the submitted applications at the next regularly scheduled meeting following the receipt of applications. The commission may appoint two members to interview the applicants if there are several applications submitted.
2. Select the public or alternate public member.

Through the particular interests and expertise that each member brings to LAFCo, LAFCo has both the local and regional perspective necessary to implement policies per the Cortese-Knox-Hertzberg Act. Decisions relating to the most efficient form of local government and the preservation of agriculture land inherently involve the balancing of potentially competing interests of jurisdiction because applications for change in organization may involve the interests of the County, a City, and one or more Special Districts. In addition, such determinations usually affect the public at large because of various options for the delivery of services. The legislative direction to LAFCo Commissioners is to bring their experience and perspectives to bear in a manner, which carries out the best policy from a regional perspective. Commissioners are not selected merely to cast the vote of their appointing agencies. In fact, to the contrary, they are expected to bring the unique perspective of the public, to decisions, which carry out the regional mandate of the Cortese-Knox-Hertzberg Act. It is for this reason that the Cortese-Knox-Hertzberg Act specifically authorizes members of LAFCo to vote on issues, which may affect their jurisdictions since these members are appointed to carry out objectives and approved

policies concerning regional issues. It is assumed that their combined participation will benefit the majority rather than the minority or any special interest group.

POLITICAL REFORM ACT, CONFLICT OF INTEREST

The Political Reform Act of 1974, California Government Code Section 81000, et seq., and specifically with Section 87300 et seq., requires that each agency adopt a Conflict of Interest Code. The Alpine County Local Agency Formation Commission adopts the Conflict of Interest Code for the County of Alpine, as amended from time to time to incorporate any changes made by the County or the Fair Political Practices Committee, included as Appendix D.

MEETING SCHEDULE OF ALPINE COUNTY LAFCo

The Commission establishes the meeting schedule at their first meeting of the year. Typically, the regular meeting of the Alpine County Local Agency Formation Commission is held on the third Tuesday of every other month, beginning with February and commencing at 1:30 p.m. in the Board of Supervisors Chambers at the Administrative Office Building, 99 Water Street, Markleeville, California.

Special meetings of the Commission may be called at the discretion of the Chairperson or upon request of a majority of the members of the Commission. The order calling a special meeting shall specify the time and place of the special meeting and the business to be transacted.

D. LAFCo POWERS AND DUTIES

LAFCo POWERS

Proceedings for changes of organization of special districts or cities are subject to LAFCo review, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000, et. seq.). Section 56375 of the Act specifies LAFCo's powers, which include the authority to review and approve, conditionally approve, modify or disapprove proposals for change of organization or reorganization.

Changes in organization mean any of the following (Government Code Section 56021):

- A city incorporation
- A district formation
- An annexation to, or detachment from a city or district
- A disincorporation of a city
- A district dissolution
- A consolidation of cities or special districts
- A merger or establishment of a subsidiary district
- A proposal for 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.

The following local government agencies are specifically excluded from LAFCo jurisdiction:

- A school district or community college district
- A special assessment district
- An improvement district

- 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)
- 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
- An air pollution control district or an air quality maintenance district.
- A zone of any special district, including but not limited to, the following:
 - A fire protection district
 - A mosquito abatement and vector control district
 - A public cemetery district
 - A recreation and park district
 - A community services district
 - A county service area
- A unified or union high school library district
- A bridge or highway district
- A joint highway district
- A transit or rapid transit district
- A metropolitan water district
- A separation of grade district

LAFCoS have the authority to initiate proposals involving district consolidation, dissolution, mergers, and the establishment of subsidiary special districts, or a reorganization that includes any of these changes or organization. Proposals initiated by the Commission must be consistent with a recommendation or conclusion of a special study or sphere of influence study prepared by the Commission (Cortese-Knox Local Government Reorganization Act, Section 56375(a)).

A city or district may provide new or extended services by contract or agreement outside its boundaries only if it first requests and receives written approval from LAFCo (Cortese-Knox Local Government Reorganization Act, Section 56133).

As per SB558, the requirement for voter approval under the Public Utilities Code does not apply when cities sell, lease, or transfer their utilities under the CKH Act.

Effective January 1, 2007, AB2223 requires LAFCoS to approve, after notice and hearing, an annexation to a city of unincorporated island territory if the annexation is initiated on or after January 1, 2000, and before January 1, 2014, and other conditions are met. AB2223 also extends until January 1, 2014 the requirement that a LAFCo waive the protest hearing for annexations of unincorporated islands of 150 acres or less.

County Services Areas (CSAs) are County-governed special districts. They provide governmental services and facilities within their boundaries that the County is authorized to perform, provided the County does not perform such services to the same extent on a countywide basis. Specific types of services and facilities that CSAs can provide are enumerated in Section 23213. After receiving LAFCo approval, the CSA may exercise that latent power. LAFCo's authority, however, is restricted since it cannot authorize a CSA to exercise a latent power if it determines another local agency already provides substantially similar services or facilities to the territory where the CSA proposed to exercise the latent power.

If a board of supervisors desires that a CSA exercise a currently unauthorized power, the County shall first receive LAFCo approval. (County Service Area Law, Section 25213.5)

In reviewing changes or organization and reorganization, pursuant to the Cortese-Knox Local Government Reorganization Act, Section 56375, LAFCo has the authority to:

1. Require pre-zoning.
2. Review definiteness and certainty of boundaries.
3. Determine whether the proposal is inhabited (12 or more registered voters), or uninhabited.
4. Determine exchange of property tax revenue for formation or incorporation.
5. Designate the conducting authority (Local City or District responsible for conducting a public hearing to discuss the proposal, and holding an election if a certain number of protests are received at the hearing.)
6. Require election both in the city and in the annexing territory where assessed value of land and number of voters in annexing territory is equal to or exceeds 50% of the city's assessed value and voters.
7. Determine the number of registered voters for an incorporation.
8. Approve annexation of non-contiguous city-owned land as specified.
9. Authorize island annexation under certain circumstances.

It is important to note that the Commission may not impose any condition directly regulating land use. The Cortese-Knox Local Government Reorganization Act Section 56375(a)(6) specifically states that:

“A commission shall not impose any conditions which would directly regulate land use density or intensity, property development, or subdivision requirements.”

FACTORS TO BE CONSIDERED IN REVIEWING A PROPOSAL

The Commission is guided by its mandated purpose of discouraging urban sprawl and encouraging the orderly development of local governmental agencies. The Cortese-Knox Local Government Reorganization Act Section 56668 specifies certain factors which the Commission must consider in reaching its determination. No particular weight is given to these factors and the Commission is free to add additional factors in response to local conditions and circumstances. Those factors which the Commission must consider are:

1. Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, drainage basins' and the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years.
2. Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporations, formation, annexation, or exclusion, and alternative courses of action regarding the cost and adequacy of services and controls in the area and adjacent areas. “Services,” as used in this subdivision, refers to governmental services (whether or not the services are services which would be

provided by local agencies subject to this division) and includes the public facilities necessary to provide those services.

3. The effect of the proposed action and of alternative action, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
4. The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
5. The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
6. Environmental justice when acting on boundary changes and consideration of comments from voters and residents of the affected territory (SB 162).
7. The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment of ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
8. Consistency with city or county general and specific plans.
9. The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
10. The comments of any affected local agency.

CEQA, ENVIRONMENTAL REVIEW

As a public agency, LAFCo must comply with the provisions of the California Environmental Quality Act (CEQA). CEQA required public agencies to assess the potential environmental impact of their actions. LAFCo is responsible for complying with CEQA when it considers an action that constitutes a “project” as defined by CEQA. These projects typically involve jurisdictional changes (e.g., district and city annexations, detachments, incorporations, etc.) and the adoption of or amendments to spheres of influence.

To provide the criteria and procedures for compliance with CEQA, the Commission has adopted the State CEQA Guidelines, as amended annually. The following is a summary of the relevant CEQA provisions that apply to Alpine LAFCo. For further information on CEQA, refer to Public Resources Code Sections 21000 et seq. For information about the State CEQA Guidelines, consult Division 6, Title 14 of the California Administrative Code, Section 15000, et seq.

In accordance with CDQA, one of the following environmental determinations must be made by a city, a special district, the county, or LAFCo for actions that constitute a project:

1. The project is exempt from the provisions of CEQA and a Notice of Exemption is prepared.
2. A Negative Declaration is filed after an initial study finds that no significant impact will occur to the environment.
3. An Environmental Impact Report, which identifies mitigation measures and alternatives, is prepared and certified after an initial study reveals that significant impacts will occur.

The Executive Officer’s written determination requiring either an EIR or a Negative Declaration may be appealed to LAFCo. All appeals shall be submitted in writing no later than 10 working days after the Executive Officer’s determination. The decision of LAFCo regarding the adequacy of environmental documents and/or appeals shall be final.

If a city, special district, or the county is the proponent, that entity usually assumes the role of lead agency. Lead agency responsibilities include conducting an environmental review, making the appropriate environmental determination in accordance with CEQA. Typically, LAFCo is the lead agency for proposals such as city incorporations and district formations. It is sometimes lead agency for district consolidations, mergers, and adoption of spheres of influence. In cases where another public agency has not acted as lead agency, LAFCo must carry out that function.

Passage of AB 1335 granted LAFCo the authority to initiate specific changes of organization such as district consolidations, dissolutions, mergers, as well as the establishment of subsidiary special districts, or a reorganization that included any of these changes of organization (Government Code Section 56375). In these instances, LAFCo would be the lead agency. To ensure that the environmental documents address the concerns of all agencies, LAFCo will solicit comments on its environmental documents from other affected agencies.

More often, Alpine LAFCo functions as a responsible agency. As a responsible agency, LAFCo will review and consider the lead agency's environmental documents before making its own project decisions. This involves participation in the development of the lead agency's document and the review, evaluation, and certification of an environmental document previously prepared for the project by the lead agency. As responsible agency, LAFCo must be given the opportunity to provide input and comments to the lead agency during the preparation of all environmental documents. In this way, the Commission ensures that environmental documents address LAFCo's concerns. LAFCo is typically a responsible agency for proposals such as city annexations and detachments, district initiated annexations, detachments and consolidations, and authorization of latent powers.

LAFCo has specific responsibility for evaluating certain impacts and environmental issues to fulfill its responsibilities under the Cortese/Knox Act. Issues that should typically be addressed in an environmental document, and which are of particular jurisdictional importance to LAFCo, include the following:

- Cumulative and regional impacts.
- Impacts to public service agencies including, but not limited to, water supply and distribution systems; wastewater treatment and sewer collection systems; solid waste disposal capacity and collection; fire protection; and public facilities maintenance districts.
- Premature conversion of prime agricultural land to urban uses and protection/preservation of prime agricultural lands and resources.
- Growth inducement.
- Lead agency commitment to implement and monitor appropriate mitigation measures (when LAFCo is a responsible agency).

In addition to those issues where Alpine LAFCo has jurisdiction as a responsible agency, the lead agency is responsible for preparation of the environmental document which must address all significant environmental issues associated with a proposed action, in compliance with the requirements of CEQA.

TERMS AND CONDITIONS OF LAFCo'S APPROVAL

In the review of proposed changes of organizations, LAFCos have broad powers to amend proposals or attach conditions of approval.

The following are examples of such powers:

1. LAFCo can amend the boundaries of a proposal either by adding or deleting territory. No further changes can be made in a proposal's boundaries without LAFCo approval.
2. In the case of a city annexation, LAFCo can require that the city of which annexation is proposed pre-zone the territory before annexation.
3. LAFCo can require, as a condition of any of the above proposals, that another change of organization for a related or overlapping agency be initiated, conducted, and completed. For example, if a proposal is for the annexation of territory to a city, LAFCo can require that the territory also be annexed to or detached from special districts.
4. LAFCo can require establishment of special assessment or improvement districts to finance capital facilities or improvements needed in the affected territory.
5. LAFCo can impose conditions relative to the distribution of assets, financial contracts, or obligations, among affected agencies.
6. LAFCo may impose conditions related to a local agency's employee salaries, benefits, and other personnel rights.

SPHERES OF INFLUENCE

The Local Agency Formation Commission is required to adopt a sphere of influence for each local governmental agency in the county within LAFCo jurisdiction. A sphere of influence is defined as a plan for the probable physical boundaries and service area of a local government agency as determined by the commission, such as a city or special district (Government Code Sections 56076, 56301, 56378 and 56425).

An adopted sphere of influence is primarily a planning tool which provides guidance in reviewing individual proposals, promotes efficient provision of organized community services, and prevents duplication of services. Inclusion within an agency's sphere does not indicate that an affected area will automatically be annexed. An adopted sphere of influence is one of several factors the Commission must consider in reviewing individual proposals.

In determining a sphere of influence, the Commission is required pursuant to Government Code Section 56425 to consider and make written determinations with respect to the following factors:

1. The present and planned land uses in the area, including but not limited to, residential, commercial, industrial development and agricultural and open space lands.
2. The present and probably need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
4. The existence of social and economic interdependence and interaction between the area within the boundaries of a local governmental agency and the area which surrounds it and which could be considered within the agencies sphere of influence.

In addition, the Commission has also required that the additional factors below be considered in determining a sphere of influence.

1. The maximum possible service area of the agency based upon present and future service capabilities of the agency.
2. The range of services the agency is providing or could provide.
3. The projected future population growth of the area.
4. Local governmental agencies presently providing services to such area and the present level range and adequacy of services provided by such existing local governmental agencies.

5. The existence of agricultural preserves in the area which could be considered within an agency's sphere of influence and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of a local governmental agency.

There are three different types of Sphere of Influence designations. These are:

1. An "expanded" sphere of influence.
2. A "zero" sphere of influence.
3. A "status quo" sphere of influence.

An "expanded" sphere of influence designation would imply that the district will, at some future time, be expected to expand its physical boundaries and service area. A "zero" sphere of influence would indicate that future dissolution of the district is either anticipated or desirable. A "status quo" sphere of influence would indicate that the district does not want to or cannot provide services outside the district's current service area. In spheres of this nature, district boundaries and sphere boundaries are coterminous.

The report itself is typically organized into five components or elements as follows: (1) Introduction; (2) Statistics; (3) Analysis; (4) Maps and (5) Environmental Document.

The Introduction element of the report discusses the background of the Cortese/Knox Local Government Reorganization Act of 2000, the purpose of sphere of influence reports, the required findings that the Commission must make, and the three different types of sphere designations.

The Statistics element includes but is not limited to a project location description, a reference to the principal act establishing the district's powers, a discussion of the services provided by the district, a discussion of any latent powers granted the district, a discussion of the composition and selection of the district Board of Directors, the number of parcels within the district, the potential number of parcels within the district, a discussion of the population and population projections within the district, a discussion of any other service providers within the district (e.g. CDF), a discussion of the district's finances, including revenue sources, and an analysis of the district's current capacity and capacity at total build out, consistent with current land use and zoning designations.

The Analysis element includes general background information about the district, including when it was formed, how it was formed, why it was formed and the description of services provided by the district. In addition, this section should also include an analysis of any Community Plan policies as they relate to the area. The final component of this section includes a discussion and analysis of the required findings the Commission must make when designating the type of sphere and adopting the Sphere of Influence report.

Once the report has been prepared and the environmental document has been circulated for public and agency review, staff schedules the report for the Commission's consideration, determination and adoption, pursuant to Government Code Section 56427.

OTHER FUNCTIONS

In addition to the specific powers and responsibilities vested in the Commission discussed in this Chapter, the Legislature has given LAFCo several general powers of significance.

1. The Commission may adopt standards and procedures for the evaluation of proposals, including standards for each of the factors enumerated in Government Code Section 56841. This commission has adopted the general "Proposal Evaluation Policies" included as Appendix B.
2. The Commission may adopt and enforce rules and regulations for the orderly and fair conduct of hearings. Such rules and regulations have been adopted as part of this Commission's "Rules and Regulations" which are included as Appendix C.
3. The Commission may appoint and assign staff personnel and employ or contract for professional or consulting services to carry out and affect the functions of the Commission.
4. The Commission is also required to adopt and enforce a "Conflict of Interest Code" governing the disqualification of members for financial conflicts of interest. This Code also guides the members and staff in the preparation of annual financial disclosure statements. A copy of this Commission's Conflict of Interest Code is included as Appendix D.
5. The Commission is also required to prepare and transmit to the Board of Supervisors an estimate of the expenses for the coming fiscal year on or before the 10th day of June.

Effective January 1, 2009, AB 1263, classifies the process by which a LAFCo may use fees or services to recover their costs (Caballero, Chapter 64). The Commission is authorized to establish a schedule of fees for the costs of proceeding for filing and processing applications filed with the Commission, proceedings undertaken by the Commission and any reorganization committee, amending a sphere of influence, and reconsidering a resolution to make determinations.

APPENDIX A

BASIC PROCEDURES AND APPLICATION SUBMITTAL REQUIREMENTS

BASIC PROCEDURES AND APPLICATION SUBMITTAL REQUIREMENTS

LAFCo PROCEDURES

The following is general information related to the procedures followed by Alpine County LAFCo in considering proposed changes in local government organization. All references in this section are to the Government Code unless otherwise specified.

Preliminary Steps

1. Proponent reviews proposal with LAFCo staff. (Although this step is not required, a brief discussion with LAFCo staff before submitting an application could save the applicant time and needless frustration.) The following steps are suggested:
 - A. Call for an application assistance appointment.
 - B. Bring the following information:
 - (1) Assessor's parcel number for individual lots or project map for complex proposals.
 - (2) General Plan and zoning designations.
 - (3) Development plans, if applicable. LAFCo generally requires approved development plans, such as a tentative map, specific plan, etc., when vacant territory is proposed for annexation to a city or district. A key consideration in LAFCo's review of annexation requests is the timing of the action. LAFCo discourages the annexation of vacant land until it can be demonstrated that services are needed in the near future. Without approved development plans, it cannot be demonstrated that services are required. Approved development plans also provide the information necessary to evaluate a proposal. The plans show what land uses are planned, the level of services required, how services will be provided, and the conditions under which service will be extended. They also enable LAFCo to evaluate the impact of a jurisdictional change on adjacent areas.
 - C. LAFCo staff will review procedures, information requirements, and fees.
 - D. Applicant should obtain application forms and ascertain what environmental documentation will be necessary.
2. Proponent prepares application material for proposal. More complex proposals are treated separately in this guide, but all proposals must include the following:
 - A. A certified resolution* or petition of landowners/registered voters making application. A petition/application shall include all of the following (56700):
 - (1) State that the proposal is made pursuant to the Cortese/Knox Local Government Reorganization Act of 2000.
 - (2) State the nature of the proposal and list all proposed changes of organization.
 - (3) Set forth a description of the boundaries of the affected territory accompanied by a map showing the boundaries (see items B and C below).
 - (4) Set forth any proposed terms and conditions.
 - (5) State the reason or reasons for the proposal.
 - (6) State whether the petition is signed by registered voters or owners of land.
 - (7) Designate not to exceed three persons as chief petitioners, setting for their names and mailing addresses.

- (8) State whether the proposal is consistent with the spheres of influence for any affected city or district.
- (9) Request that proceedings be taken for the proposal pursuant to this part.
- (10) A completed application. Contact LAFCo staff for an application.

**Resolution of application must contain the same information as petition, except for signatures (56700 and 56800).*

B. Maps

- (1) All maps must be professionally drawn or copied. Rough sketches or pictorial drawings will be rejected.
- (2) Every map shall bear a scale and a north arrow. Every map shall be of a sufficient size to allow Tax Area Services (California Board of Equalization) to plot the boundary without difficulty. Every map shall be of a scale common to the industry (see item 8). All lettering and numbers on the map must be legible.
- (3) A vicinity map shall be included. It is strongly recommended that the filing be accompanied by a copy of the Board of Equalization tax rate are map (or portion thereof) with the subject territory delineated in red for the purpose of site location only. This shall be considered supporting documentation.
- (4) The point of beginning shall be clearly shown on the map and referenced to a known geographical point.
- (5) All dimensions needed to plot the boundaries must be given on the map of the subject territory. The relationship of the subject territory to streets right-of-ways and street centerlines must be clearly indicated.
- (6) The boundaries of the subject territory shall be distinctively delineated on the map without obliterating any essential geographic or political features. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width shall be rejected by the Board of Equalization. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
- (7) Every map must clearly indicate all existing streets, roads and highways within and adjacent to the subject territory, together with the current names of those thoroughfares. Other pertinent physical features should be included.
- (8) Maps of the subject territory shall be drawn to these standard minimum scales: (For a multiple-area filing, the size of each single area should govern the map scale.)

ACREAGE WITHIN PROJECT AREA	MINIMUM MAP SCALES
1-40 acres	1" = 100'
41-200 acres	1" = 200'
201-1000 acres	1" = 400' or 1" = 800'
Over 1001 acres	1" = 800' or 1" = 1200'

- (9) If any segment of the boundary is shorter than 1/40 of the map scale (e.g., 10 feet on a 1" = 400' scale map) that segment should be shown enlarged in a marginal sketch.
- (10) When the boundary of the subject territory is of a complex nature, an index table listing the various courses with the bearing and distances shall be shown on the map.
- (11) When it is necessary to use more than one map sheet to show the boundaries of the subject territory, the sheet size shall be uniform. A small key map giving the

relationship of the several sheets shall be furnished. Match lines between adjoining sheets shall be set. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines.

- (12) If the subject territory has interior islands of exclusion or the boundary has a peninsula of exclusion (or inclusion) that area(s) shall be shown enlarged in a marginal sketch. This sketch shall be of sufficient size and scale to allow Tax Area Services to plot the boundary without difficulty. The parcels in the sketch that touch the boundary shall be clearly labeled with the assessor parcel numbers.
- (13) All parcels within the subject territory that touch the new boundary must be clearly labeled with the assessor's parcel number. It is recommended that assessor parcel maps with the subject territory delineated in red accompany the filing as supporting documentation.
- (14) The use of assessor parcel maps and copies of Board of Equalization maps shall be in addition to and shall not be a substitute for the required project map.
- (15) The applicant shall submit ten (10) reduced copies not exceeding 11 x 17 inches in size.
- (16) The applicant shall submit one full scale map (see item 8 for scale) of the area. All existing boundaries of entities shall be delineated in red; the boundaries of the proposal shall be delineated in green.

C. Boundary Descriptions

- (1) Every written geographical description must be self-sufficient within itself and without the necessity of reference to any extraneous document. The written geographic description shall be a document separate from any maps. The polygon traverse of the written description must be within acceptable limits for error of closure.
- (2) The use of secondary references in the written description is cause for rejection. The cartographic staff must be able to plot the boundaries from the written description.
- (3) The written description shall be of the subject territory only. The legal description should include roadways on the proposal boundaries and avoid using centerlines of such roadways as boundaries. If a complete description of the special district is filed, that portion of the subject territory shall be clearly identified.
- (4) The point of beginning of the geographic description shall be clearly shown on the map and referenced to a known geographic position. It is recommended that the known point be described by the California state plane coordinate system. It is preferred that this point be either the point of beginning or the point of departure from and the point of return to an existing district boundary. Effective January 1, 2000, every description shall contain a minimum of one GPS point that is referenced to the California state plane coordinate system.
- (5) When writing a metes and bounds description of a contiguous annexation, all details of the contiguous portion(s) of the existing boundary may be omitted.
- (6) A specific parcel description in sectionalized land (e.g., The SW $\frac{1}{4}$ of Section 22, T1N, R1W) is permissible without a metes and bounds description of the perimeter boundary.
- (7) A parcel description making reference only to a subdivision or a lot within a subdivision is not acceptable unless accompanied by a copy of the recorded subdivision map.

- (8) The written description shall state the acreage for each separate single area and the combined total acreage of subject territory. Acreage shall be rounded off to the nearest whole acre.
 - D. One copy of any environmental documents (pursuant to CEQA) associated with the project; however, if an environmental impact report (EIR) associated with the subject property was prepared, 10 copies of the certified EIR must be submitted with the application. Only one copy of the EIR appendices is required.
 - E. If the proposal includes annexation to a city, indication that the annexing city has pre-zoned the property, such as the city council resolution approving the pre-zoning.
 - F. Processing deposit and cost reimbursement acknowledgement.
3. Like other public agencies, Alpine County LAFCo is required to comply with the California Environmental Quality Act (CEQA) for purposes of considering the environmental impact of its actions. Each proposal must receive the appropriate environmental review for consideration by the Commission in making its decision. For a detailed discussion of environmental requirements please refer to Page 12 of these guidelines and the "A CEQA Handbook" document.

LAFCo Proceedings

- 4. Proponent delivers to the Executive Officer a complete application (Section 56652).
- 5. The Executive Office determines if:
 - A. The petition is sufficient as required by law and issues a determination on its sufficiency within 30 days of submittal.
 - B. LAFCo is to be the lead agency. If so, then the environmental review is undertaken by LAFCo.
 - C. A satisfactory exchange of property tax has taken place. Master property tax agreements may be applicable or separate property tax exchange resolutions may be required. If negotiations leading to adoption of separate resolutions are required, the county and any affected city must agree to a tax exchange or the county must negotiate a property tax exchange on behalf of any special district (Revenue and Taxation Code, Section 99).
- 6. The Executive Officer reviews the proposal and within 30 days of its receipt either:
 - A. Determines that the application is complete (and that all property tax agreements are on file) and issues a certificate of filing, setting the commission hearing within 90 days; or
 - B. Determines that the application is not complete and notifies the proponent.
- 7. The Executive Officer requests review of any information for the proposal from affected county departments, affected agencies, and other affected counties' LAFCos.
- 8. Proponents and/or LAFCo staff provide for a meeting with affected residents or landowners to give information and receive comments on the proposal (OPTIONAL).
- 9. The Executive Officer at least 21 days prior to the date set for hearing, gives notice by:
 - A. Publication in a newspaper of general circulation. (Currently there is no newspaper of general circulation in Alpine County.)

- B. Posting in the 13 designated County posting places and near the door of the hearing room.
- C. Mailing to each affected agency which contains territory or whose sphere of influence contains territory within the proposal, chief petitioner(s), persons requesting notice, each city within three miles, and the county in the case of incorporation or formation.

NOTE: Some commission actions can be made without notice and hearing, such as annexations and detachments, with written consent of all landowners. Notice and opportunity to request a public hearing must be given to agencies whose boundaries are affected. (56662)

- 10. The Executive Officer reviews the applications and any comments received. A written report, including recommendations, is then prepared. The report reviews pertinent factors and policies, spheres of influence, and general and specific plans.
- 11. The Executive Office mails the report at least five days prior to the hearing to each commissioner, each person named in the application to receive a report, each affected local agency requesting a report, each agency whose boundaries or sphere of influence will be changes, and the Executive Officer of the LAFCo of any other affected county. (56665)
- 12. The Commission hears the proposal on the noticed date and time. The hearing may be continued for up to 70 days. The Commission must consider a number of factors and policies in compliance with State law. Among the factors considered by the Alpine County LAFCo in making its determination are: (56668)
 - A. Population, density, land area and land use, per capita assessed valuation, topography, natural boundaries, drainage basins, proximity to populated areas, and likelihood of significant growth during the next ten years.
 - B. Need for organized community services, present cost and adequacy of government services and controls, probable future needs, probable effect of change of organization and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.
 - C. The effect of the proposed action of alternative actions on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
 - D. Conformity of the proposal to Commission policies on providing planned, orderly, efficient patterns of urban development, and with state policies and priorities of conversion of open-space issues.
 - E. Effect of the proposal on maintaining the physical and economic integrity of lands in an agricultural preserve in open-space uses.
 - F. Definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment and ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
 - G. Conformity with appropriate city or county general and specific plans.
 - H. The sphere of influence of any agency which may be applicable to the proposal being reviewed.
- 13. Within 35 days of the hearing the Commission will adopt a resolution of determination taking the following actions:

- A. Approve or deny with or without conditions or revisions to the proposal. If denied, no new proposal can be made for one year unless waived by LAFCo. If the proposal included incorporation of consolidation of a city, no new proposal can be made for two years unless waived by LAFCo.
 - B. Determine if the territory is inhabited or uninhabited (inhabited territory means territory within which there resides 12 or more registered voters).
 - C. Designate the conducting authority (56029).
 - D. Assign a short-term designation.
 - E. Authorize proceedings without notice, hearing, or an election, if there is 100% consent and only annexations, detachments, and CSA formations.
14. The Executive Officer sends the Commission's resolution to the chief petitioners, if any, to each agency whose boundaries will be changed, and to the conducting authority by certified mail. The Commission may waive conducting authority proceedings entirely if all of the following conditions apply:
- A. The subject area is uninhabited.
 - B. All of the owners of land within the affected territory have given their written consent to the change of organization or reorganization.
 - C. All affected agencies that will gain territory as a result of the change of organization or reorganization have consented in writing to a waiver of conducting authority proceedings.

Conducting Authority Proceedings

15. If conducting authority proceedings are not waived by the Alpine County LAFCo, the clerk of the conducting authority sets the proposal for hearing within 35 days of the Commission's resolution date and gives notice. If authorized by the Commission, the conducting authority may approve the proposal without notice and hearing. Notice must be given by the clerk at least 21 days prior to the hearing, and shall be:
- A. Publication in a newspaper of general circulation. (Currently there is no newspaper of general circulation in Alpine County.)
 - B. Posting in the 13 designated County posting places and near the door of the hearing room.
 - C. Mailing to each affected agency which contains territory or whose sphere of influence contains territory within the proposal, the LAFCo Executive Officer, chief petitioner(s), if any, persons requesting notice, and landowners within territory to be formed into or annexed to, or detached from an improvement district (57025).
16. The conducting authority hears the proposal at the noticed time and date. The hearing may be continued for up to 60 days. Any written protests must be filed with the clerk prior to the conclusion of the hearing and must be signed, have the signature date, and must have the address or location of the property. The value of written protests must be determined (57050 and 57052).
17. The conducting authority shall adopt a resolution doing one of the following:
- A. Ordering the change if the area is uninhabited and if no majority land value protest is received; or if it is inhabited and less than 25% voter or landowner protest is received.
 - B. Ordering the change subject to an election if the land is inhabited and 25% to 50% of the registered voters or landowners protest. A resolution calling for an election on the question is adopted and forwarded to the Elections Clerk and

Executive Officer. If the conducting authority has called for an election, the Executive Officer shall prepare an impartial analysis on the question for Commission approval. If it is approved by the voters, a resolution ordering the change is adopted. If it is denied, a resolution ordering the change to be terminated is adopted.

- C. Terminate proceedings if a written protest is received from landowners having a majority of the land value in uninhabited territory, or from a majority of the registered voters in inhabited territory. A city detachment or district annexation may be terminated by the conducting authority. If a proposal is terminated, the same proposal cannot be submitted to LAFCo before one year from the date of adoption of the conducting authority resolution, or two years if an incorporation was included (57090).

Conducting authority proceedings and resolutions for changes of organization other than annexations and detachments may vary from the procedures described above. The applicable sections of law for the conducting authority should be consulted.

Completion and Effective Date

18. The clerk of the conducting authority shall file a certified copy of the conducting authority resolution approving, denying, or confirming an election with the Executive Officer. The clerk must also submit fees for the State Board of Equalization with Alpine County LAFCo.
19. The Executive Officer determines compliance of the conducting authority resolution with the Commission resolution. If it is in compliance, the Executive Officer issues a certificate of completion, which completes the proceedings. If it is not in compliance, the resolution is returned to the conducting authority for correction. The certificate is recorded with the County Recorder. If no effective date is specified in the Commission resolution, the recordation date is the effective date. A statement of boundary change or creation is issued by the Executive Officer and filed with the appropriate fees with the State Board of Equalization and County Assessor. If it is a city change, a notice is given to the Secretary of State. Property tax resolutions, if any, are forwarded to the County Auditor for property tax transfer.
20. The Executive Officer gives the notice of completion and effective date to the conducting authority, agencies whose boundaries are affected and affected county departments.
21. The affected agencies recognize completion of the jurisdictional change: property and sales tax transfers, police and fire protection responsibilities, planning and inspection controls, etc.

APPENDIX B

PROPOSAL EVALUATION POLICIES

PROPOSAL EVALUATION POLICIES

1. To the greatest extent possible, boundaries should follow existing political boundaries and natural or man-made features such as rivers, lakes, railroad tracks, and roads. Where roads form a portion of the boundary, the boundary should not be drawn so as to divide the road along its centerline. Roads should either be fully included or excluded along the boundary of the proposal. Where boundaries are not in conformance with this policy, the proponent shall justify the reasons for non-conformance in writing.
2. Boundaries should not be drawn so as to create an island, corridor or strip, either within or immediately adjacent to the proposal. Where such island, corridor or strip is created, the proponent shall justify the reasons for non-conformance in writing.
3. Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such division occurs, the proponent shall justify the reasons for nonconformance with this policy in writing.
4. Where undeveloped or under-developed territory is proposed for annexation to an existing city, LAFCo requires that such territory be pre-zoned prior to submittal to LAFCo. Any required environmental review shall be conducted by the affected city at the time of pre-zoning.
5. Proposals shall take into account not only the present needs of the subject area, but also the future services which may be required to accommodate future growth and expansion.
6. If the proposal could result in significant or serious operational or economic problems, or in the disruption of existing services in the remaining adjacent territory, the proponent shall justify, in writing, why the boundaries of the proposal should not be adjusted in recognition of such problems.
7. New, expanded or consolidated services should be reviewed by one of the following governmental agencies shown in descending order of preference:
 - A. Annexation to an existing city.
 - B. Annexation to an existing multi-purpose district.
 - C. Annexation to an existing single purpose district.
 - D. Annexation to an existing county service area (CSA).
 - E. Incorporation of a new city.
 - F. Formation of a new multi-purpose district.
 - G. Formation of a new single purpose district.
 - H. Formation of a new county service area (CSA).
8. If the proposal is for the formation of a new agency, the proponent shall demonstrate that the required services cannot be feasibly provided by an existing agency.
9. If the proposal is for the formation of a new agency, the proponent shall demonstrate the economic feasibility of the proposed formation, taking into account any and all potential sources of revenue.

10. In addition to the above, consideration of the following will be given in evaluating all proposals:
 - A. Conformance to the land use provisions of the General Plan for Alpine County and the affected City.
 - B. Demonstrated ability to finance the required government services at a reasonable level.
 - C. Demonstrated capacity to serve the proposed territory with required facilities and personnel.
 - D. Conformance with the adopted Sphere of Influence of the affected agency.

APPENDIX C
RULES AND REGULATIONS

RULES AND REGULATIONS

SECTION 1. - GENERAL PROVISIONS

- Item 1.1 Authority: These rules shall apply to the Alpine County Local Agency Formation Commission and are adopted pursuant to the authority vested in the Commission by Chapter 6.6 (commencing with Section 54773) of Part 1, Division 2, Title 5 of the California Government Code.
- Item 1.2 Repealed: All rules and regulations for the conduct of business previously adopted by this Commission are hereby repealed, and the rules and regulations herein adopted shall be the rules and regulations of this Commission.
- Item 1.3 Amendment: Amendment or repeal of any of these rules and regulations shall be by majority vote of the Commission, provided, however that no such amendment shall affect any matter pending before the Commission.

SECTION 2. - COMMISSION MEETINGS

- Item 2.1 Regular Meetings: The Commission at their first meeting of the year adopts a meeting schedule for the remainder of the year. Typically, the regular meeting of the Local Agency Formation Commission shall be held on the third Tuesday of every other month, beginning with February and commencing at 1:30 p.m. in the Board of Supervisors Chambers at the Administrative Office Building, 99 Water Street, Markleeville California. Should a meeting date fall on a legal holiday, the meeting shall be rescheduled on a date and time to be determined at a regular meeting of the preceding month or at the discretion of the Chair or upon request of a majority of the members of the Commission.
- Item 2.2 Special Meetings: Special meetings of the Commission may be called in the manner provided by law at the discretion of the Chair or upon request of a majority of the members of the Commission. The order calling a special meeting shall specify the time and place of the special meeting and business to be transacted. The time set for a special meeting shall be at least 24 hours after the order thereof is received by Commissioners. No business other than that specified in the order calling the meeting shall be transacted at a special meeting. The Executive Officer shall cause notice of a special meeting to be delivered to Commission members and be posted in accordance with law.
- Item 2.3 Adjourned Meeting: Any meeting or public hearing may be adjourned to a date, time and place established by the Commission. Any adjourned meeting or public hearing shall be deemed to be part of the original meeting or hearing so adjourned.

SECTION 3. - MEMBERSHIP AND ATTENDANCE

Item 3.1 Regular Members: The Commission shall consist of five (5) regular members selected in conformance with Section 56329 of the Government Code. The terms of office of said Commissioners shall be as prescribed in Government Code Section 56334.

Item 3.2 Alternate Members: In addition to the five (5) regular members of the Commission, two (2) alternate members shall be appointed pursuant to Section 56329 of the Government Code. The terms of office of said alternate Commissioners shall be as prescribed in Government Code Section 56334.

Alternate Commission members shall serve on the Commission and vote in place of a regular Commissioner when that Commissioner is absent or disqualified pursuant to Section 7 of these rules.

Item 3.3 Attendance: In order to maintain continuity in Commission business and remain current on issues before LAFCo, all Commissioners, including alternates, shall, if possible, attend all regular and special meetings of the Commission.

Item 3.4 Absence: In the event a regular or alternate Commissioners intends to be absent for a Commission meeting or to disqualify himself/herself from voting on a proposal or proposals for reasons other than those stated in Items 7.1 and 7.2 he or she shall also notify the Executive Officer at the earliest possible date in advance of the meeting.

If a regular or alternate Commissioner is absent for three (3) consecutive meetings, or a total of five (5) meetings in any twelve (12) month period, the Chairman, may with the concurrence of a majority of the Commission, request and recommend that the absent Commissioner's selecting body review his/her attendance record and select a replacement Commissioner for the remainder of the unexpired term.

SECTION 4. - CHAIRPERSON AND VICE-CHAIRPERSON

Item 4.1 Election of a Chairperson: At its first regular meeting in February, the Commission shall annually elect a person to the position of Chairperson from among its members. The Chairperson shall serve until a successor is elected.

Item 4.2 Duties of Chairperson: The Chairperson shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by law and by these rules. The Chairperson shall preserve order and decorum and shall decide all questions of order and procedure subject to the concurrence of a majority of the Commission.

The Chairperson of the Commission shall not be prohibited from making motions or voting on any issue before the Commission if not prohibited by Section 7 of these rules.

- Item 4.3 Vice-Chairperson: At its first regular meeting in February, the Commission shall annually elect a Vice-Chairperson from among its members. The Vice-Chairperson shall have all the powers and duties of the Chairperson during the absence or disqualification of the Chairman.

SECTION 5. - COMMISSION STAFF

- Item 5.1 Executive Officer: The Commission may appoint an Executive Officer who shall conduct the day-to-day business of the Commission in addition to those duties prescribed by law and direction of the Commission. In the absence of a Commission appointed Executive Officer, the County Clerk shall act as the Executive Officer.
- Item 5.2 Legal Counsel: The County Counsel for the County of Alpine shall provide for legal counsel for the Commission. All questions of law shall be referred to legal counsel for opinion.
- Item 5.3 Clerk to the Commission: Among other duties as may be assigned, the Clerk shall attend all meetings of the Commission, maintain a record of all proceedings, prepare agendas, minutes and distribute same for Commission review and approval.
- Item 5.4 Additional Staff: The Commission may, as required by work load or special projects, appoint additional staff personnel to assist in carrying out the purposes and mandates of the Commission.

SECTION 6. - CONDUCT OF MEETINGS

- Item 6.1 Quorum: A majority of the members of the Commission constitute a quorum for the transaction of business. In the absence of a quorum, the Commissioners present shall adjourn the meeting to a stated time and place in accordance with Item 2.3 of these rules.
- Item 6.2 Vote Requirements: No act of the Commission shall be valid, legal or binding unless a majority of the Commission concurs through an affirmative vote.
- The Commission may act by resolution or motion (which shall be evidenced by a minute order). All final determinations of the Commission on proposals, spheres of influence, and contracts shall be made by resolution.
- Item 6.3 Voting Procedure: The roll need not be called in voting upon a motion or adoption of a resolution except when requested by a member. Prior to calling the roll, the clerk shall repeat the motion for the record. If the roll is not called, in the absence of an objection, the Chairperson may order a vote by asking "all in favor?" then "Commissioners opposed?" When the roll is called on any motion or adoption of a resolution, any member present who does not vote in an audible voice shall be recorded as voting "aye".

Item 6.4 Meeting Procedure: Unless otherwise ordered by the Chairperson, business at each regular meeting shall be taken up for consideration and disposition in the following order:

1. Call to Order/Roll Call of Members
2. Oral Communications/Public Comment
3. Approval of Minutes
4. Public Hearings
5. Unfinished Business
6. New Business
7. Executive Officer's Report
8. Adjournment

Item 6.5 Public Participation: All meetings of the Commission shall be open to the public. Any interested person may address the Commission on public hearing matters. Upon approval of the Chairperson, public participation may be received regarding non-public hearing matters. The Chairperson may regulate the order of such presentations and reserves the right to limit the time allowed for each person to speak.

Upon being recognized by the Chair, persons addressing the Commission shall be required to step up to the speaker's podium and state their name and address for the record.

SECTION 7. - DISQUALIFICATION

Item 7.1 Conflict of Interest: A regular or alternate Commissioner shall disqualify himself/herself from voting on matters in which the Commissioner has a reportable financial interest, when it is reasonably foreseeable that such interest may be materially affected by the decision of the Commission.

Item 7.2 Disqualified Commissioners: No provision of Item 7.1 regarding disqualification shall prevent a Commissioner from addressing the Commission during the consideration of a proposal as a private property owner, resident or officer of the affected city or district.

Item 7.3 Changes of Organization/Reorganization: No regular or alternate Commissioner shall be required to disqualify himself/herself from participating and voting on matters affecting the boundaries or organization of the city or district of which he/she is an officer.

Item 7.4 Spheres of Influence: No regular or alternate Commissioner shall be required to disqualify himself/herself from voting on sphere of influence determinations which affect the city or district of which the Commissioner is an officer.

Item 7.5 Closed Sessions: No regular or alternate Commissioner shall attend or participate in a closed session held by the Commission to discuss pending or proposed litigation by the Commission against such Commissioner or against the

City, District or other entity of which such Commissioner is an officer or employee; or by such Commissioner against the Commission, or by a City, District or other entity of which such Commissioner is an officer or employee against the Commission.

SECTION 8. - SUBMISSION OF PROPOSALS

- Item 8.1 Form: Proposals submitted for consideration and determination by the Commission shall be in the form prescribed by the Executive Officer in accordance with the provisions of State Law. Please refer to Appendix A for basic general information application submittal requirements.
- Item 8.2 Filing Fee: Each submittal shall be accompanied by a deposit filing fee as determined by the Commission. The project proponent shall be responsible to pay for all actual costs involved in processing the application. No action shall be taken upon any application until the applicable filing fee has been deposited LAFCo.
- Item 8.3 Filing: No proposal shall be set for hearing or consideration before this Commission until and unless a "Certificate of Filing" has been executed and issued by the Executive Officer. The filing date of a proposal shall be the date of issuance of the "Certificate of Filing."
- Item 8.4 Pre-zoning: The Commission may, by resolution, authorize the LAFCo Executive Officer to require the pre-zoning of city annexations and shall be done prior to the issuance of the Certificate of Filing. The Commission may waive the pre-zoning requirements if the proposed annexation is determined to be exempt or excluded from the requirements of CEQA.
- Item 8.5 Withdrawal: Proponents may withdraw a proposal at any time prior to the date and time set for hearing or consideration by the Commission without prejudice for re-filing. Refund of filing fees shall be at the discretion of a majority of the Commission. Withdrawal shall be in the form of a written request therefore filed with the Executive Officer.
- Item 8.6 Continuance: Proponents may request continuance of a hearing or consideration of a proposal in writing. Such request must be filed with the Executive Officer prior to the date and time set for hearing or consideration by the Commission. The Commission, by motion duly made and adopted, may grant or deny a request for continuation.
- Item 8.7 Information Requests. Any request for public information, which exceeds one hour of staff time, shall be made in writing and be accompanied by a deposit filing fee as determined by the Commission. No action shall be taken upon any information request until the applicable filing fee has been deposited with LAFCo.

SECTION 9. - COMPENSATION OF COMMISSIONERS

Item 9.1

Compensation: Commissioners shall receive a stipend of \$50 plus mileage expenses for attending Commission meetings.

Alternate Commission members shall receive compensation at the same rate as regular members for each meeting at which they are in attendance.

APPENDIX D
CONFLICT OF INTEREST CODE

Note: The Local Agency Formation Commission is using the Alpine County Conflict of Interest Code. Appendix D will be revised whenever Alpine County amends/adopts their Code.

**CONFLICT OF INTEREST CODE
OF THE
ALPINE COUNTY**

The following Conflict of Interest Code of Alpine County was adopted by Resolution No. 2010- 62 of the Alpine County Board of Supervisors on December 21, 2010.

CONFLICT OF INTEREST CODE
OF THE
COUNTY OF ALPINE

(Adopted December 21, 2010)

The Political Reform Act (Government Code § 81000 et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations § 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation (attached) and the attached Appendix designating officials and employees and establishing disclosure categories shall constitute the conflict of interest code of the County of Alpine (the "County").

All Officials, employees and consultants required to submit a statement of economic interests shall file their statements with the Clerk of the Board as the County's Filing Officer. The Filing Officer shall make and retain a copy of all statements filed by Officials listed in Government Code Section 87200, and forward the originals of such statements to the Fair Political Practices Commission. The Filing Officer shall retain the originals of the statements of all other Designated Employees. The Filing Officer will make all retained statements available for public inspection and reproduction (Gov. Code Section 81008).

ADDENDUM

REFERENCE DEFINITIONS FOR CONFLICT OF INTEREST CODE

This Addendum of Definitions is provided for convenience of reference only and is not to be relied on as authority. The areas of law involving conflicts of interest are complex. When issues or problems arise, it is strongly recommended that you seek guidance and legal advice from your agency counsel.

1.	“Other Public Officials Who Manage Public Investments”	40
2.	“Designated Employee”	40
3.	“Public Official” (including <i>Consultant</i>).....	40
4.	“Making Governmental Decisions”	41
5.	“Participating in the Making of Governmental Decisions”	42
6.	“Using or Attempting to Use Official Position to Influence”	43
7.	“Public Identification of a Conflict of Interest for Section 87200 Filers”	44
8.	“Financial Interest” (Disqualification Purposes)	45
9.	“Investment”	46
10.	“Doing Business in the Jurisdiction”	46
11.	“Interest in Real Property”	46
12.	“Real Property Within the Jurisdiction”	46
13.	“Income”	46
14.	“Salary and Reimbursement for Expenses or Per Diem Received”	47
15.	“Gift”	48
16.	“Honorarium”.....	50
17.	“Economic Interests”	50
18.	“Directly or Indirectly Involved”	51
19.	“Materiality Standards”	54
20.	“Public Generally”	54
21.	“Determining Whether a Material Financial Effect is Reasonably Foreseeable”	55
22.	“Business Entity”	55
23.	“Immediate Family”	56
24.	“Spouse”	56

DEFINITIONS

1. “Other Public Officials Who Manage Public Investments”:

(a) As used in the Agency’s Conflict of Interest Code and the Act, this term means:

(1) Members of boards and commissions, including pension and retirement boards or commissions, or of committees thereof, who exercise responsibility for the management of public investments;

(2) High-level officers and employees of the Agency who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers. This definition shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers; and

(3) Individuals who, pursuant to a contract with the Agency, perform the same or substantially all the same functions that would otherwise be performed by the public officials described in this definition.

(b) The following definitions shall apply to this Section:

(1) *“Public Investments”* means the investment of public moneys in real estate, securities, or other economic interests for the production of revenue or other financial return.

(2) *“Public Moneys”* means all moneys belonging to, received by, or held by the Agency, or by an officer thereof acting in his or her official capacity, and includes the proceeds of all bonds and other evidence of indebtedness, trust funds held by public pension and retirement systems, deferred compensation funds held for investment by public agencies, and public moneys held by a financial institution under a trust indenture to which the Agency is a party.

(3) *“Management of public investments”* means the following non-ministerial functions:

(A) Directing the investment of public moneys;

(B) Formulating or approving investment policies;

(C) Approving or establishing guidelines for asset allocations; or

(D) Approving investment transactions.

(c) Those public officials coming within the definition contained in Subsection (a) above are subject to the conflict-of-interest disclosure requirements of Article 2, Chapter 7 of the Political Reform Act and must file a Statement of Economic Interests accordingly. [2 Cal. Code of Regs. § 18701(b)]

2. “Designated Employee”: Any officer, employee, member or consultant of the Agency whose position is so designated in the Appendix of the Agency’s Conflict of Interest Code. The Appendix sets forth those positions which entail the making or participation in the making of decisions which may foreseeably have a material effect on financial interests, but does not include any unsalaried member of any board or commission which serves a solely advisory function, or any public official specified in Government Code Section 87200. [Gov. Code § 82019]

3. “Public Official”: Any natural person who is a member, officer, employee or consultant of the Agency. The term *“public official”* also includes individuals who perform the same or substantially the same duties as an individual holding an office or a position listed in Government Code Section 87200 or the Conflict of Interest Code including

“other public officials who manage public investments” as defined in Definition No. 1, above.

(a) **“Member”** shall include, but not be limited to, salaried or unsalaried members of committees, boards or commissions with decision-making authority. A committee, board or commission possesses decision-making authority whenever:

- (1) It may make a final governmental decision;
- (2) It may compel a governmental decision, or it may prevent a governmental decision either by reason of an exclusive power to initiate the decision or by reason of a veto that may not be overridden; or
- (3) It makes substantive recommendations that are, and over an extended period of time have been, regularly approved without significant amendment or modification by another public official or the Agency.

(b) A committee, board, or commission does not possess decision making authority under subsection (a) if it is formed for the sole purpose of researching a topic and preparing a report or recommendation for submission to another governmental body that has final decision making authority.

(c) **“Consultant”** means an individual who, pursuant to a contract with the Agency:

- (1) **Makes a governmental decision** whether to:
 - (A) Approve a rate, rule, or regulation;
 - (B) Adopt or enforce a law;
 - (C) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
 - (D) Authorize the Agency to enter into, modify, or renew a contract provided it is the type of contract which requires Agency approval;
 - (E) Grant Agency approval to a contract which requires Agency approval and in which the Agency is a party or to the specifications for such a contract;
 - (F) Grant Agency approval to a plan, design, report, study, or similar item;
 - (G) Adopt, or grant Agency approval of, policies, standards, or guidelines for the Agency, or for any subdivision thereof; or

(2) Serves in a staff capacity with the Agency and in that capacity participates in making a governmental decision as defined in Definition 5, below, or performs the same or substantially all the same duties for the Agency that would otherwise be performed by an individual holding a position specified in the Agency’s Conflict of Interest Code. [Gov. Code § 82048; 2 Cal. Code of Regs. § 18701(a)]

4. “Making Governmental Decisions”: A public official *“makes a governmental decision,”* except as provided in Definition 5(b) herein, when the official, acting within the authority of his or her office or position:

- (a) Votes on a matter;
- (b) Appoints a person;
- (c) Obligates or commits the Agency to any course of action;
- (d) Enters into any contractual agreement on behalf of the Agency;
- (e) Determines not to act, within the meaning of Subsections (a), (b), (c), or (d), unless such determination is made because of his or her financial interest.

When the determination not to act occurs because of the official's financial interest, the official's determination may be accompanied by an oral or written disclosure of the financial interest.

When an official with a disqualifying conflict of interest abstains from making a governmental decision in an open session of the Agency, board or committee and the official remains on the dais or in his or her designated seat during deliberations of the governmental decision in which he or she is disqualified, his or her presence shall not be counted toward achieving a quorum.

During a closed meeting of the Agency, board or committee, a disqualified official shall not be present when the decision is considered, or obtain or review a recording or any non-public information regarding the governmental decision. [2 Cal. Code of Regs. § 18702.1]

5. "Participating in the Making of Governmental Decisions":

(a) A public official "***participates in the making of a governmental decision,***" except as provided in Subsection (b) of this definition, when the official, acting within the authority of his or her office or position:

(1) Negotiates, without significant substantive review, with a governmental entity or private person regarding a decision to:

(A) Approve a rate, rule, or regulation;

(B) Adopt or enforce a law;

(C) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;

(D) Authorize the Agency to enter into, modify, or renew a contract provided it is the type of contract which requires Agency approval;

(E) Grant Agency approval to a contract which requires Agency approval and in which the Agency is a party, or to the specifications for such a contract;

(F) Grant Agency approval to a plan, design, report, study, or similar item;

(G) Adopt, or grant Agency approval of, policies, standards, or guidelines for the Agency, or for any subdivision thereof; or

(2) Advises or makes recommendations to the decision-maker, either directly or without significant intervening substantive review, by:

(A) Conducting research or making any investigation which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision as referenced in Subsection 5(a)(1) above; or

(B) Preparing or presenting any report, analysis, or opinion, orally or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision as referenced in Subsection 5(a)(1), above. [2 Cal. Code of Regs. § 18702.2]

(b) "***Making***" or "***participating in making***" a governmental decision shall not include:

(1) Actions of officials which are solely ministerial, secretarial, manual or clerical;

(2) Appearances by a public official as a member of the general public before the Agency or another agency in the course of its prescribed governmental function to represent himself or herself on matters

related solely to the official's personal interests as defined in Definition 6(c), below [2 Cal. Code of Regs. § 18702.4(b)(1)]; or

(3) Actions by public officials relating to their compensation or the terms or conditions of their employment or contract. In the case of public officials who are "*consultants*," as defined in Definition 3(b), above, this includes actions by consultants relating to the terms or conditions of the contract pursuant to which they provide services to the Agency, so long as they are acting in their private capacity. [2 Cal. Code of Regs. §§ 18702.2, 18702.4(a)]

6. "Using or Attempting to Use Official Position to Influence":

(a) With regard to a governmental decision which is within or before the Agency, or an agency appointed by or subject to the budgetary control of the Agency, an official is attempting to use his or her official position to influence a decision if, for the purpose of influencing the decision, the official contacts, or appears before, or otherwise attempts to influence, any member, officer, employee or consultant of the Agency or any other agency. Attempts to influence include, but are not limited to, appearances or contacts by the official on behalf of a business entity, client, or customer.

(b) With regard to a governmental decision which is within or before an agency not covered by Subsection (a), above, the official is attempting to use his or her official position to influence the decision if, for the purpose influencing the decision, the official acts or purports to act on behalf of, or as the representative of, the Agency to any member, officer, employee or consultant of an agency. Such actions include, but are not limited to the use of official stationery. [2 Cal. Code of Regs. § 18702.3]

(c) Notwithstanding Subsections (a) and (b) of this definition, an official is not attempting to use his or her official position to influence a governmental decision of the Agency if the official:

(1) Appears in the same manner as any other member of the general public before the Agency or any other agency in the course of its prescribed governmental function solely to represent himself or herself on a matter which is related to his or her personal interests. An official's "*personal interests*" include, but are not limited to:

(A) An interest in real property which is wholly owned by the official or members of his or her immediate family;

(B) A business entity wholly owned by the official or members of his or her immediate family; or

(C) A business entity over which the official exercises sole direction and control, or over which the official and his or her spouse jointly exercise sole direction and control.

(2) Communicates with the general public or the press.

(3) Negotiates his or her compensation or the terms and conditions of his or her employment contract.

(4) Prepares drawings or submissions of an architectural, engineering or similar nature to be used by a client in connection with a proceeding before the Agency or any other agency. However, this provision applies only if the official has no other direct oral or written contact with the agency with regard to the client's proceeding before the agency except for necessary contact with agency staff concerning the processing or evaluation of the drawings or submissions prepared by the official.

(5) Appears before a design or architectural review committee or similar body of which he or she is a member to present drawings or

submissions of an architectural, engineering or similar nature which the official has prepared for a client if the following three criteria are met:

(A) The review committee's sole function is to review architectural or engineering plans or designs and to make recommendations in that instance concerning those plans or designs to a planning commission or other agency;

(B) The ordinance or other provision of law requires that the review committee include architects, engineers or persons in related professions, and the official was appointed to the body to fulfill this requirement; and

(C) The official is a sole practitioner. [2 Cal. Code of Regs. § 18702.4(b)]

7. **"Public Identification of a Conflict of Interest for Section 87200**

Filers":

(a) Government Code Section 87105 and 2 California Code of Regulations Section 18702.5 apply when a public official who holds an office specified in Government Code Section 87200 has a financial interest in a decision within the meaning of Government Code Section 87100, and the governmental decision relates to an agenda item which is noticed for a meeting subject to the provisions of the Bagley-Keene Act (Gov. Code §§ 11120 et seq.) or the Brown Act (Gov. Code §§ 54950 et seq.).

(b) **Content & Timing of Identification:** The public official shall, following the announcement of the agenda item to be discussed or voted upon but before either the discussion or vote commences, do all of the following:

(1) The public official shall publicly identify:

(A) Each type of economic interest held by the public official which is involved in the decision and gives rise to the conflict of interest (i.e. investment, business position, interest in real property, personal financial effect, or the receipt or promise of income or gifts), and

(B) The following details identifying the economic interest(s):

(i) if an investment, the name of the business entity in which each investment is held;

(ii) if a business position, a general description of the business activity in which the business entity is engaged as well as the name of the business entity;

(iii) if real property, the address or another indication of the location of the property, unless the property is the public official's principal or personal residence, in which case, identification that the property is a residence;

(iv) if income or gifts, then identification of the source; and

(v) if personal financial effect, then identification of the expense, liability, asset or income affected.

(2) **Form of Identification:** If the governmental decision is to be made during an open session of a public meeting, the public identification shall be made orally and shall be made part of the official public record.

(3) **Recusal/Leaving the Room:** The public official must recuse himself or herself and leave the room after the identification required by subdivisions (b)(1) and (b)(2) of 2 California Code of Regulations Section

18702.5 is made. He or she shall not be counted toward achieving a quorum while the item is discussed.

(c) **Special Rules for Closed Session:** If the governmental decision is made during a closed session of a public meeting, the public identification may be made orally during the open session before the body goes into closed session and shall be limited to a declaration that his or her recusal is because of a conflict of interest under Government Code Section 87100. The declaration shall be made part of the official public record. The public official shall not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the governmental decision.

(d) **Exceptions:**

(1) **Uncontested Matters:** The exception from leaving the room granted in Government Code Section 87105(a)(3) for a "matter [that] has been placed on the portion of the agenda reserved for uncontested matters" shall mean agenda items on the consent calendar. When the matter in which the public official has a financial interest is on the consent calendar, the public official must comply with subdivisions (b)(1) and (b)(2) of 2 California Code of Regulations Section 18702.5, and recuse himself or herself from discussing or voting on that matter, but the public official is not required to leave the room during the consent calendar.

(2) **Absence:** If the public official is absent when the agenda item subject to subdivision (a) of 2 California Code of Regulations Section 18702.5 is considered, then Government Code Section 87105 and this regulation impose no public identification duties on the public official for that item at that meeting.

(3) **Speaking as a Member of the Public Regarding an Applicable Personal Interest:** When a personal interest found in 2 Cal. Code of Regs. § 18702.4(b) is present, a public official may speak as a member of the general public if he or she complies with subdivisions (b)(1) and (b)(2) of 2 California Code of Regulations Section 18702.5, recuses himself or herself from voting on the matter and leaves the dais to speak from the same area as the members of the public. He or she may listen to the public discussion of the matter with the members of the public. [2 Cal. Code of Regs. § 18702.5]

8. "Financial Interest": An official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family, or on:

(a) Any business entity in which the public official has a direct or indirect investment worth \$2,000 or more;

(b) Any real property in which the public official has a direct or indirect interest worth \$2,000 or more;

(c) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made;

(d) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management; or

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more in value provided to, received by, or promised to the

public official within 12 months prior to the time when the decision is made. The amount of the value of gifts by this subdivision shall be adjusted biennially by the FPPC.

(f) **“Indirect Investment or Interest”**: Any investment or interest owned by the spouse or dependent child of a public official, held or owned by an agent on behalf of a public official, or by a business entity or trust in which the official, the official’s agents, spouse and dependent children own directly, indirectly or beneficially, a 10% interest or greater. [Gov. Code § 87103]

9. “Investment”: Any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property within the jurisdiction, or does business or plans to do business within the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under the Agency’s Conflict of Interest Code. No asset shall be deemed an investment unless its fair market value equals or exceeds \$2,000.

Investments of an individual include a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10% interest or greater.

The term *“investment”* does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. [Gov. Code § 82034]

10. “Doing Business in the Jurisdiction”: A person is “doing business in the jurisdiction” if that person has business contacts on a regular or substantial basis with a person who maintains a physical presence in the jurisdiction of a public official. “Business contacts” include, but are not limited to, manufacturing, distributing, selling, purchasing, or providing services or goods. “Business contacts” do not include marketing via the Internet, telephone, television, radio, or printed media. [2 Cal. Code of Regs. § 18230]

11. “Interest in Real Property”: Includes any leasehold, beneficial or ownership interest, or an option to acquire such an interest in real property located within the jurisdiction owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family if the fair market value of the interest is two thousand dollars (\$2,000) or more. Interests in real property of an individual include a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10% interest or greater. [Gov. Code § 82033]

12. “Real Property Within the Jurisdiction”: Jurisdiction is the region, county, city, district, or other geographical area in which the Agency has control. Real property shall be deemed to be *“within the jurisdiction”* if the property or any part of a parcel of real property is located within or not more than two miles outside the boundaries of the jurisdiction of the Agency or within two miles of any land owned or used by the Agency. [Gov. Code § 82035]

13. “Income”:

(a) *“Income”* means, except as provided in Subsection (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds of any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share

of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly, or beneficially, a 10% interest or greater.

(b) *"Income,"* other than a gift, does not include:

(1) Income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required;

(2) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974;

(3) Salary and reimbursement for expenses or per diem, social security, disability, or other similar benefit payments received from a state, local or federal government agency, and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;

(4) Any devise or inheritance;

(5) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;

(6) Dividends, interest or any other return on a security which is registered with the Securities & Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities futures;

(7) Redemption of a mutual fund;

(8) Alimony or child support payments;

(9) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status;

(10) Any loan from or any payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph;

(11) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status;

(12) Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).

(13) Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser. [Gov. Code § 82030]

14. "Salary and Reimbursement for Expenses or Per Diem Received":

(a) *"Salary"* means any and all payments made by a government agency to a public official, or accrued to the benefit of a public official, as consideration for the public official's services to the government agency. Such payments include wages, consultants' fees, pension benefits, health and other insurance coverage, rights

to compensated vacation and leave time, free or discounted transportation, payment or indemnification of legal defense costs, and similar benefits.

(b) “*Per Diem*” from an agency means payment of a fixed sum of money, accruing daily to a public official when the public official is required to incur increased daily living expenses.

(c) “*Reimbursement for Expenses*” received from an agency means a payment to a public official, in compensation for otherwise uncompensated actual expenses incurred or to be incurred within 60 days by the public official in the course of his or her official duties. [2 Cal. Code of Regs. § 18232]

15. “Gift”:

(a) Except as provided in Subsection (b), below, a gift is any payment that confers a personal benefit on the recipient to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. [Gov. Code § 82028]

(b) **Exceptions:** None of the following is a gift and none is subject to any limitation on gifts:

(1) Informational material which serves primarily to convey information and which is provided for the purpose of assisting the recipient in the performance of his or her official duties or the duties of the elective office he or she seeks. Informational material may include:

(A) Books, reports, pamphlets, calendars, periodicals, audio or video recordings, or free or discounted admission to informational conferences or seminars;

(B) Scale models, pictorial representations, maps, and other such items, provided that where the item has a fair market value in excess of the gift limit amount, the burden shall be on the recipient to demonstrate that the item is informational material;

(C) On-site demonstrations, tours or inspections designed specifically for the purpose of assisting the official in the performance of his or her official duties or the duties of the elective office he or she seeks.

No payment for transportation to an inspection, tour, or demonstration site, nor reimbursement for any expenses in connection therewith, shall be deemed “*informational material*” except insofar as such transportation is not commercially available. [Gov. Code § 82028(b)(1); 2 Cal. Code of Regs. § 18942.1]

(2) Except for passes and tickets as provided in Regulation 18946.1, a gift that is not used and that, within 30 days after receipt, is returned or donated pursuant to Regulation 18943, or for which reimbursement is paid pursuant to said Regulation 18943.

(3) [See 2 Cal. Code of Regs. § 18944 re Gifts to Members of an Official’s or Candidate’s Family.]A gift from an individual’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, unless the donor is acting as an agent or intermediary for any person not identified by this paragraph.

(A)

(4) Campaign contributions required to be reported under Chapter 4 of the Act.

(5) Any devise or inheritance.

(6) Personalized plaques or trophies with an individual value of less than \$250.

(7) The cost of hospitality (including food, beverages, or occasional lodging) provided to an official by an individual in the individual's home when the individual is present, unless one of the following provisions applies:

(A) Any part of the cost of the hospitality is paid directly or reimbursed by another person.

(B) Any person deducts any part of the cost of such hospitality as a business expense on any government tax return.

(C) There is an understanding between the individual extending the hospitality and another person that any amount of compensation the individual receives from that person includes a portion to be utilized to provide gifts of hospitality in the individual's home

(D) In determining the applicability of this "hospitality" exemption, the following apply:

(a) The cost of providing hospitality does not include any part of the value or rental cost of the home nor does it include any depreciation value on the home where the hospitality is extended.

(b) An official may presume that the cost of home hospitality is paid by the host unless the host discloses to the official, or it is clear from the surrounding circumstances at the time the hospitality is provided, that a person, other than the host, paid the cost of the hospitality. [See Reg. 189422 for definition of "Home Hospitality."]

(8) Gifts exchanged between an individual who is required to file a statement of economic interests and another individual, other than a lobbyist, on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. For purposes of this subdivision, and notwithstanding Regulation 18946.2(b), "gifts exchanged" includes food, beverages, entertainment, and nominal benefits provided at the occasion by the honoree or another individual, other than a lobbyist, hosting the event.

(9) Leave credits, including vacation, sick leave, or compensatory time off, donated to an official in accordance with a bona fide catastrophic or similar emergency leave program established by the official's employer and available to all employees in the same job classification or position. This shall not include donations of cash.

(10) Payments received under a government agency program or a program established by a bona fide charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code designed to provide disaster relief or food, shelter, or similar assistance to qualified recipients if such payments are available to members of the public without regard to official status.

(11) Free admission, and refreshments and similar non-cash nominal benefits provided to an official during the entire event at which the official gives a speech, participates in a panel or seminar, or provides a similar service,

and transportation and any necessary lodging and subsistence that is exempt under Regulation 18950.3. These items are not payments and need not be reported by any filer.

(12) The transportation, lodging, and subsistence specified by Regulation 18950.4 (in connection with campaign activities).

(c) The following items, if they are otherwise gifts, are exempt from the limitations on gifts described above:

(1) Payments for transportation, lodging, and subsistence that are exempt from limits on gifts by Government Code Section 89506 and Regulation 18950, et seq.

(2) Wedding gifts.

(A)

16. “Honorarium”:

(a) *“Honorarium”* is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.

(b) In addition to the exceptions contained in Definition 15(b), above, (2 Cal. Code of Regs. § 18942), the term *“honorarium”* does not include:

(1) Earned income for personal services which are customarily provided in connection with the practice of or employment in a bona fide business, trade, or profession, such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting, unless the sole or predominant activity of the business, trade, or profession is making speeches.

(2) Any honorarium which is not used and, within 30 days after receipt is either returned to the donor or delivered to the Agency for donation to the Agency’s general fund or equivalent without being claimed as a deduction from income for tax purposes. [Gov. Code § 89501; 2 Cal. Code of Regs. § 18932]

17. “Economic Interests”: The term “economic interest” includes interests in business entities, real property, source of income, source of gifts, and personal financial effect. For purposes of disqualification, see these terms defined below:

(a) **Economic Interest - Business Entities:** A public official has an *economic interest* in a business entity if any of the following are true:

(1) The public official has a *direct* or *indirect* investment worth \$2,000 or more in the business entity.

(2) The public official is a director, officer, partner, trustee, employee, or holds any position of management in the business entity.

(3) An official has an *economic interest* in a business entity which is a *parent or subsidiary of, or is otherwise related to,* a business entity in which the official has one of the interests defined in this Definition. [See 2 Cal. Code of Regs. § 18703.1(d) for definition of “*Parent, Subsidiary, Otherwise Related Business Entity.*”]

(4) Although a public official may not have an *economic interest* in a given business entity pursuant to Subsections (1)-(3), above, the public official may nonetheless have an *economic interest* in the business entity if it is a source of income to him or her.

(b) **Economic Interest - Real Property:** A public official has an *economic interest* in any real property in which the public official has a direct or indirect interest worth \$2,000 or more in fair market value. [See Definition 11, above, for detailed definition of *interest in real property.*]

(c) **Economic Interest - Source of Income:** A public official has an *economic interest* in any person from whom he or she has received income, including commission income and incentive compensation as defined in 2 Cal. Code of Regs. § 18703.3, aggregating \$500 within 12 months prior to the time when the relevant government decision is made. For purposes of Government Code Sections 87100 and 87103(c), a public official's *income* includes income which has been promised to the public official but not yet received by him or her, if he or she has a legally enforceable right to the promised income. [See 2 Cal. Code of Regs. § 18703.3 regarding related business entities, former employers, sources of commission income to brokers, agents and salespersons, and sources of incentive compensation.]

(d) **Economic Interest - Source of Gifts:** A public official has an *economic interest* in any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. [See Definition 15, above, for detailed definition of *Gift*.]

(e) **Economic Interest - Personal Finances:** A public official has an *economic interest* in his or her personal finances and those of his or her immediate family. A governmental decision will have an effect on this economic interest if the decision will result in the personal expenses, income, assets, or liabilities of the official, or his or her immediate family increasing or decreasing. [See Definition 13, above, for detailed definition of *income* and see Definition 23, below, for detailed definition of *immediate family*.] [2 Cal. Code of Regs. §§ 18703 - 18703.5]

18. "Directly or Indirectly Involved": In order to determine if a governmental decision's reasonably foreseeable financial effect on a given economic interest is material, it must first be determined if the official's economic interest is directly involved or indirectly involved in the governmental decision.

(a) **Business Entities, Sources of Income, Sources of Gifts:** A person, including business entities, sources of income, and sources of gifts, is directly involved in a decision before an official's agency when that person, either directly or by an agent:

(1) Initiates the proceeding in which the decision will be made by filing an application, claim, appeal, or similar request, or;

(2) Is a named party in, or is the subject of, the proceeding concerning the decision before the official or the official's agency. A person is the subject of a proceeding if a decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the subject person.

If a business entity, source of income, or source of a gift is directly involved in a governmental decision, apply the materiality standards in 2 Cal. Code of Regs. § 18705.1(a), 18705.3(a) or 18705.4(a), respectively. If a business entity, source of income, or source of a gift is not directly involved in a governmental decision, apply the materiality standards in 2 Cal. Code of Regs. § 18705.1(b), 18705.3(b), or 18705.4(b), respectively.

(b) **Interest in Real Property:** Real property in which a public official has an economic interest is directly involved in a governmental decision if that real property is the subject of the governmental decision, or if any part of that real property is located within 500 feet of the boundaries (or proposed boundaries) of the real property which is the subject of the governmental decision. Real property is the "subject of the governmental decision" if:

(1) The governmental decision involves the zoning or rezoning, annexation or de-annexation, sale, purchase, or lease, or inclusion in

or exclusion from any city, county, district or other local governmental subdivision, of the real property in which the official has an interest or a similar decision affecting such real property. For purposes of this Section, the terms “zoning” and “rezoning” shall refer to the act of establishing or changing the zoning or land designation on the subject real property. The terms “zoning” and “rezoning” shall NOT refer to an amendment of an existing zoning ordinance or other land use regulation (such as changes in the uses permitted, or development standards applicable, within a particular zoning category) which is applicable to all other properties designated in that category, which shall be analyzed under 2 Cal. Code of Regs. § 18705.2(b).

(2) The governmental decision involves the issuance, denial or revocation of a license, permit or other land use entitlement authorizing a specific use or uses of such real property.

(3) The governmental decision involves the imposition, repeal or modification of any taxes or fees assessed or imposed on such real property.

(4) The governmental decision is to designate the survey area, to select the project area, to adopt the preliminary plan, to form a project area committee, to certify the environmental document, to adopt the redevelopment plan, to add territory to the redevelopment area, or to rescind or amend any of the above decisions; and real property in which the official has an interest, or any part of it is located within the boundaries (or the proposed boundaries) of the redevelopment area. For purposes of this Section, real property is located “within 500 feet of the boundaries (or proposed boundaries) of the real property which is the subject of the governmental decision” if any part of the real property is within 500 feet of the boundaries (or proposed boundaries) of the redevelopment project area.

(5) The governmental decision involves construction of, or improvements to, streets, water, sewer, storm drainage or similar facilities, and the real property will receive new or improved services. As used in this Section, “new or improved services” does NOT include repairs, replacement, or maintenance of existing streets, water, sewer, storm drainage or similar facilities.

(6) Real property in which a public official has an interest is not directly involved in a governmental decision, but is instead indirectly involved if:

(A) The decision solely concerns the amendment of an existing zoning ordinance or other land use regulation (such as changes in the uses permitted, or development standards applicable, within a particular zoning category) which is applicable to all other properties designated in that category, which shall be analyzed under 2 Cal. Code of Regs. § 18705.2(b).

(B) The decision solely concerns repairs, replacement, or maintenance of existing streets, water, sewer, storm drainage or similar facilities.

(C) The decision solely concerns the adoption or amendment of a general plan and all of the following apply:

(i) The decision only identifies planning objectives or is otherwise exclusively one of policy. A decision will not qualify under this subdivision if the decision is initiated by the public official, by a person that is an economic interest of the public official, or by a person representing either the public official or an economic interest of the public official.

(ii) The decision requires a further decision or decisions by the public official's agency prior to implementing the planning or policy objectives. Examples of further decisions include, but are not limited to, permitting, licensing, rezoning, or the approval of or change to a zoning variance, land use ordinance, or specific plan or its equivalent.

(iii) The decision does not concern an identifiable parcel or parcels or development project. A decision does not "concern an identifiable parcel or parcels" solely because, in the proceeding before the agency in which the decision is made, the parcel or parcels are merely included in an area depicted on a map or diagram offered in connection with the decision, provided that the map or diagram depicts all parcels located within the agency's jurisdiction and economic interests of the official are not singled out.

(iv) The decision does not concern the agency's prior, concurrent, or subsequent approval of, or change to, a permit, license, zoning designation, zoning variance, land use ordinance, or specific plan or its equivalent.

(v) The following definitions apply to this subsection.

a. A decision "*solely concerns the adoption or amendment of a general plan*" when the decision, in the manner described in Government Code Sections 65301 and 65301.5, grants approval of, substitutes for, or modifies any component of, a general plan, including elements, a statement of development policies, maps, diagrams, and texts, or any other component setting forth objectives, principles, standards, and plan proposals, as described in Government Code Sections 65402 and 65303.

b. "*General Plan*" means "general plan" as used in Government Code, Title 7 (Planning and Zoning), Division 1 (Local Planning), Article 5, sections 65300, et seq.

c. "*Specific plan or its equivalent*" means a "specific plan" or any equivalent plan adopted by the jurisdiction to meet the purposes described in Government Code, Title 7 (Planning and Zoning), Division 1 (Local Planning), Article 8, sections 65450, et seq.

(vi) Determining the applicable materiality standard

a. If the real property in which the public official has an economic interest is directly involved in a governmental decision, apply the materiality standards in California Code of Regulations Section 18705.2(a).

b. If a real property interest is not directly involved in a governmental decision, apply the materiality standards in California Code of Regulations Section 18705.2(b).

(c) **Economic Interest in Personal Finances:** A public official or his or her immediate family are deemed to be directly involved in a governmental decision which has any financial effect on his or her personal finances or those of his or her immediate family. [2 Cal. Code of Regs. §§ 18704 - 18704.5]

19. “Materiality Standards”:

(a) **Specific Rules.** In order to determine if a governmental decision’s reasonably foreseeable financial effect on a given economic interest is material:

(1) For governmental decisions which affect economic interests in business entities -- apply 2 Cal. Code of Regs. § 18705.1;

(2) For governmental decisions which affect economic interests in real property -- apply 2 Cal. Code of Regs. § 18705.2;

(3) For governmental decisions which affect economic interests in sources of income -- apply 2 Cal. Code of Regs. § 18705.3;

(4) For governmental decisions which affect economic interests in sources of gifts -- apply 2 Cal. Code of Regs. § 18705.4;

(5) For governmental decisions which affect the personal expenses, income, assets or liabilities of the public official or his or her immediate family (personal financial effect) apply 2 Cal. Code of Regs. § 18705.5.

(b) **General Rule.** Whenever the specific provisions of 2 Cal. Code of Regs. § 18705.1 through 18705.5, inclusive, cannot be applied, the following general rule shall apply:

The financial effect of a governmental decision is material if the decision will have a significant effect on the official or a member of the official's immediate family, or on the source of income, the source of gifts, the business entity, or the real property, which is an economic interest of the official.

(c) **Special Rules.** Notwithstanding 2 Cal. Code of Regs. § 18705.1 through 18705.5, inclusive, an official does not have to disqualify himself or herself from a governmental decision if:

(1) Although a conflict of interest would otherwise exist under 2 Cal. Code of Regs. § 18705.1 through 18705.4, inclusive, and 18706, the decision will have no financial effect on the person or business entity who appears before the official, or on the real property in which the official holds a direct or indirect interest, or on the personal finances of the official and/or his immediate family. [2 Cal. Code of Regs. § 18705]

20. “Public Generally”: Notwithstanding a determination that the reasonably foreseeable financial effect of a governmental decision on a public official's economic interests is material, a public official does not have a disqualifying conflict of interest in the governmental decision if the governmental decision affects the public official's economic interests in a manner which is indistinguishable from the manner in which the decision will affect the public generally, as set forth in 2 Cal. Code of Regs. 18707 - 18707.9.

(a) To determine if the effect of a decision is not distinguishable from the effect on the public generally as set forth above, apply Steps One through Four below:

(1) **Step One:** Identify each specific person or real property (economic interest) that is materially affected by the governmental decision.

(2) **Step Two:** For each person or real property identified in Step One, determine the applicable “significant segment” rule according to 2 Cal. Code of Regs. § 18707.1(b).

(3) **Step Three:** Determine if the significant segment is affected by the governmental decision as set forth in the applicable “significant segment” rule. If the answer is “no,” then the analysis ends because the first prong of a two-part test set forth in Section 18707.1(b) is not met, and the public official cannot participate in the governmental decision. If the answer is “yes,” proceed to Step Four.

(4) **Step Four:** Following the provisions of 2 Cal. Code of Regs. § 18707.1(b)(2), determine if the person or real property identified in Step One is affected by the governmental decision in “substantially the same manner” as other persons or real property in the applicable significant segment. If the answer is “yes” as to each person or real property identified in Step One, then the effect of the decision is not distinguishable from the effect on the public generally and the public official may participate in the decision. If the answer is “no” as to any person or real property identified in Step One, the public official may not participate in the governmental decision unless one of the special rules set forth in 2 Cal. Code of Regs. § 18707.2 - 18707.9 applies to each person or real property triggering the conflict of interest. [2 Cal. Code of Regs. § 18707]

21. “Determining Whether a Material Financial Effect is Reasonably

Foreseeable”:

(a) A material financial effect on an economic interest is reasonably foreseeable if it is substantially likely that one or more of the materiality standards applicable to that economic interest will be met as a result of the governmental decision.

(b) In determining whether a governmental decision will have a reasonably foreseeable material financial effect on an economic interest as defined in subsection (a) above, the following factor should be considered. These factors are not intended to be an exclusive list of the relevant facts that may be considered in determining whether a financial effect is reasonably foreseeable, but are included as general guidelines:

(1) The extent to which the official or the official’s source of income has engaged, is engaged, or plans on engaging in business activity in the jurisdiction;

(2) The market share held by the official or the official’s source of income in the jurisdiction;

(3) The extent to which the official or the official’s source of income has competition for business in the jurisdiction;

(4) The scope of the governmental decision in question; and

(5) The extent to which the occurrence of the material financial effect is contingent upon intervening events, not including future governmental decisions by the official’s agency, or any other agency appointed by or subject to the budgetary control of the official’s agency.

(c) Possession of a real estate sales or brokerage license, or any other professional license, without regard to the official’s business activity or likely business activity, does not in itself make a material financial effect on the official’s economic interest reasonably foreseeable. [2 Cal. Code of Regs. § 18706]

22. “Business Entity”: Any organization or enterprise operated for profit, including but not limited to, a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association. [Gov. Code § 82005]

23. “Immediate Family”: Immediate Family means the spouse and dependent children.

24. “Spouse”: The term “spouse” shall include domestic partners registered with the California Secretary of State’s Office and recognized by California State Law. [2 Cal. Code of Regs. § 18229; Fam. Code § 297]

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
COUNTY OF ALPINE

(Adopted December 16, 2008)

EXHIBIT “A”

The Members of the Board of Supervisors and Planning Commission, County Administrative Officer, County Counsel, District Attorney, Judges of the Superior Court, County Treasurer, and all Other County Officials who manage public investments as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to the County's Code but are subject to the disclosure requirements of the Act. (Government Code Section 87200 et seq.). [Regs. § 18730(b)(3)]

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

It has been determined that the positions listed below are Other County Officials who manage public investment¹s. These positions are listed here for informational purposes only.

Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS
GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Assessor	1, 2
Auditor-Controller	1, 2
Building Official	2, 3, 6, 7
Chief Probation Officer	6
Community Development Director	2, 3, 6, 7
County Clerk	6
County Engineer	2, 3, 6, 7
County Superintendent of Schools	1, 2
Deputy District Attorney	1, 2
Deputy Purchasing Agent/Support Services	5
Director of Library and Archives	6
Environmental Health Specialist	2, 3, 7
Health and Human Services Director	6
Local Agency Formation Commission, Executive Officer	1, 2
Public Health Officer	6
Public Works Director	1, 2
Sheriff-Coroner	6
Staff Services Manager	6
Undersheriff	6

DESIGNATED EMPLOYEES'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

MEMBERS OF BOARDS,

COMMITTEES & COMMISSIONS

Bear Valley Sign Review Committee	1, 2
Board of Appeals	1, 2
Economic Development Advisory Committee	1, 2
Family Support and Child Abuse Prevention	1
Fish & Game Commission	1, 2
In-Home-Supportive-Services Advisory Committee	2, 6
Library Commission	2, 6
Local Agency Formation Commission (Public Members)	1, 2
Markleeville Design Review Historic Committee	1, 2
Mental Health Board	1, 2
Social Services Transportation Advisory Council	2, 6
South Tahoe Public Utility District Contract Commission	1, 2

Consultant²

² Consultants shall be included in the list of Designated Employees and shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The County Administrative Officer to the Board may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based on that description, a statement of the extent of disclosure requirements. The County Administrative Officer to the Board’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

EXHIBIT “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which he or she is assigned.

CATEGORY 1: All investments and business positions in business entities, and sources of income that are located in, that do business in, or that own real property within the jurisdiction of the County.

CATEGORY 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the County.

CATEGORY 3: All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the County.

CATEGORY 4: All investments and business positions in, and sources of income from, business entities that are banking, savings and loan, or other financial institutions.

CATEGORY 5: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the County.

CATEGORY 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Employee's Department.

CATEGORY 7: All investments and business positions in, and sources of income from, business entities subject to the regulatory, permit, or licensing authority of the Designated Employee's Department.

REGULATIONS OF THE FAIR POLITICAL PRACTICES COMMISSION

TITLE 2, DIVISION 6, CALIFORNIA CODE OF REGULATIONS

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies. 1

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of

the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to

have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure. When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of

management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which

that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

3. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

1 Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

2 See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

3 For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

4 Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

5 A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

6 Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300- 87302, 89501, 89502 and 89503, Government Code.

APPENDIX E
EXECUTIVE OFFICER'S JOB DESCRIPTION

LAFCo Executive Officer

DESCRIPTION OF BASIC FUNCTION AND RESPONSIBILITY:

To perform a variety of professional field and office work related to changes in local governmental jurisdiction, policy formation, and administration.

TYPICAL DUTIES:

- Prepares State mandated sphere of influence reports which establish the maximum feasible service area of cities and special districts.
- Analyzes and presents alternatives and makes recommendations concerning the reasonable and proper boundaries, financial requirements, service level impacts and feasibility of specific proposals.
- Develops information and prepares plans for future expansion of governmental services.
- Receives, processes and analyzes applications and petitions for reorganization or annexations to entities of local governments such as city or special district annexations, special district formations, consolidations, dissolution's, detachments, incorporation's and other organizational changes.
- Researches and performs specialized studies relating to proposals and feasibility reports before Local Agency Formation Commission.
- Researches and reports on each LAFCo application and recommends proper action.
- Advises and counsels applicants, governmental agencies, engineers and developers on methods of creating or annexing to an entity to acquire municipal services.
- Informs all interested parties of LAFCo actions and final decisions.
- Attends and/or participates in statewide conferences and speaks at public meetings.
- Discusses proposals during processing with governmental officials, County department heads and staff, attorneys and others.
- Attends meetings and provides information to the public and governmental officials regarding the technical requirements for processing jurisdictional changes to cities and special districts
- Ensures that proposals are processed in accordance with all public notice and time limit requirements.
- Prepares and/or reviews environmental assessments, negative declaration, and environmental impact reports.
- Establishes, revises and updates policies regarding LAFCo operations for Commission adoption.
- Attends, provides staff support and analysis, and prepares agendas for all regular and special LAFCo meetings.
- Responsible for maintaining LAFCo files and records and daily administration of the LAFCo office.
- Prepares annual LAFCo budget and monitors financial transactions.
- Responsible for hiring and supervising clerical staff and any other LAFCo employees or consultants.
- Performs related duties as required.

JOB REQUIREMENTS:

- Possession of a valid California Driver's License.
- Knowledge of:

- The principles, methods, and techniques related to the formation and organization of local governmental entities.
- State laws, codes, guidelines, and requirements related to local governmental reorganization, including the Cortese-Knox Local Government Reorganization Act and the California Environmental Quality Act (CEQA).
- Social, economic, and financial principles and practices associated with local governmental entities.
- Budget preparation.
- Ability to:
 - Communicate effectively in oral and written form.
 - Identify and analyze complex problem situations, establish priorities for action based on such analysis, and take appropriate steps to resolve those problems identified.
 - Prepare and present technical reports.
 - Establish and maintain effective working relationships with staff, County and public officials, and the general public.

DESIRABLE QUALIFICATIONS:

- Bachelor's degree in planning or related field; three years of professional experience in public or private planning including some experience in a lead or supervisory capacity; or an equivalent combination of education and experience.

DISTINGUISHING CHARACTERISTICS:

- This classification performs work which consists of complex professional duties at the advanced journey level and which is specifically related to the functions and responsibilities of the Local Agency Formation Commission. Employees in this classification receive limited supervision within a framework of Commission policy and State law.

APPENDIX F
ALPINE COUNTY SPECIAL DISTRICTS

ALPINE COUNTY GOVERNMENTAL AGENCIES

SUBJECT TO LAFCo JURISDICTION

INCORPORATED CITIES

None

COUNTY SERVICE AREA

CSA #1

OTHER DISTRICTS

Bear Valley Water District

Kirkwood Meadows PUD

Markleeville PUD

ALPINE LAFCO

Steps in the Adding of a New Function or Service

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.)

- I. A proposal to add a new service or function may be made by the adoption of a resolution of application by the board of directors.
 - A. The resolution must comply with GC §56700 et seq. and include the following:
 1. State that the proposal is made pursuant to §56700.
 2. State the nature of the proposal and list all changes of organization.
 3. Describe the boundaries of the proposed district and provide a map showing the boundaries.
 4. State any proposed terms and conditions.
 5. State the reason or reasons for the proposal.
 6. Designate not more than three people as chief petitioners, stating their names and addresses.
 7. Request proceedings for the proposal.
 8. State whether the proposal is consistent with the sphere of influence of any affected city or district.
 - B. With the resolution a plan for services shall be submitted consistent with GC §56653 and include the following:
 1. An enumeration and description of the services to be extended to the affected territory.
 2. The level and range of those services.
 3. An indication of when those services can feasibly be extended to the affected territory.
 4. An indication of any improvement or upgrading of structures, roads, sewer or water, facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
 5. Information with respect to how those services will be financed.
- A. With the resolution a plan for services shall be submitted consistent with GC §56824.1 and include the following:
 1. The total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries.
 2. The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The estimated costs may be identified by customer class.
 3. An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

4. A written summary of whether the new or different function or class 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, pursuant to subdivision (b) of Government Code Section 56654, will involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services.
 5. A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.
 6. Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.
- C. Before adopting a resolution of application, the legislative body must conduct a public hearing on the resolution. Notice of hearing must be published in one or more newspapers of general circulation within the county, city, or special district. (GC Section 56824.12 c)

A notice of a hearing, publication of the notice shall be commenced at least 21 days prior to the date specified in the notice for the hearing. (GC Sections 56153 and 56154)

- II. Application Form; Fees: A proposal for formation of a county service area must be submitted to LAFCO on appropriate application forms. In accordance with the fee schedule in effect at the time of application, before processing of the application can begin, a deposit towards actual costs must be provided.
- III. Certificate of Filing: LAFCO will notify affected agencies of the receipt of an for new powers and will request comments. Within 30 days of receipt of an application, the executive officer will determine whether the application is complete and acceptable for filing or is incomplete. If incomplete, the executive officer will notify the applicant regarding incomplete parts of the application and the manner in which they can be made complete. If complete, the executive officer will issue a certificate of filing, set the proposal for hearing, and give published notice.
- IV. Public Hearing: 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 Government Code Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted.
- V. Commission Consideration of Proposal: The executive officer will complete a report on the proposal and will provide a recommendation to the Commission, based on statutory factors to be considered, comments from affected agencies, and an analysis of the proposal, including, but not limited to, a financial feasibility study. LAFCO may act as lead agency for the proposal pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines.)

The commission shall review and approve or disapprove with or without amendments, wholly, partially, or conditionally, proposals for the establishment of

new or different functions or class of services, within all or part of the jurisdictional boundaries of a special district.

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.

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 Government Code 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.

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, shall not be subject to an election.

- VI. Reconsideration Requirement. If LAFCO approves the proposal, within 30 days of adoption of the resolution of determination, anyone may file an application for reconsideration, stating what new or different facts that could not have been presented previously are claimed to warrant the reconsideration. The Commission must consider the request at the next meeting for which notice can be given; oral and written testimony will be taken at that time. The Commission may approve or disapprove the request, with or without amendment, wholly, partially, or conditionally. If the Commission approves, it shall adopt a resolution which supersedes the original resolution. The Commission's determination is final and conclusive.

Guide to the
CORTESE–KNOX–HERTZBERG
LOCAL GOVERNMENT
REORGANIZATION ACT OF 2000



Prepared by
Assembly Committee on Local Government
Honorable Cecilia M. Aguiar-Curry, Chair

December 2021

Guide to the

**CORTESE-KNOX-HERTZBERG
LOCAL GOVERNMENT
REORGANIZATION ACT OF 2000**

Prepared by
Assembly Committee on Local Government
Honorable Cecilia M. Aguiar-Curry, Chair

December 2021

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0004
(916) 319-2004
FAX (916) 319-2104

E-MAIL
Assemblymember.Aguiar-Curry@assembly.ca.gov



DISTRICT OFFICE
600 A STREET, SUITE D
DAVIS, CA 95616
(530) 757-1034
FAX (530) 757-1174

2721 NAPA VALLEY CORPORATE DRIVE
NAPA, CA 94558
(707) 224-0440
FAX (707) 224-0430

JUSTICE JOSEPH A. RATTIGAN
STATE BUILDING 50 D STREET, SUITE 305
SANTA ROSA, CA 95404
(707) 576-0400
FAX (707) 576-0410

885 LAKEPORT BOULEVARD
LAKEPORT, CA 95453

November 30, 2021

To Interested Parties:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act) establishes procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

Local agency formation commissions (LAFCOs) have numerous powers under the Act, but those of primary concern are the power to act on local agency boundary changes and to adopt spheres of influence for local agencies. Among the purposes of LAFCOs are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies.

Staff to the Assembly Local Government Committee regularly updates the *Guide to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000*. This version reflects the 2021 legislative changes to the Act. I hope that you find it to be a useful and helpful document.

Respectfully,

A handwritten signature in black ink that reads "Cecilia M. Aguiar-Curry". The signature is fluid and cursive, with a large loop at the end of the last name.

Cecilia M. Aguiar-Curry, Chair

TABLE OF CONTENTS

Summary of LAFCO-related legislation..... i

Outline of the Act iii

Cortese-Knox-Hertzberg Local Government Reorganization Act..... 1

 Part 1. General 1

 Chapter 1. Legislative Findings and Declarations..... 1

 Chapter 2. Definitions 2

 Chapter 3. Introductory and General Provisions 14

 Chapter 4. Notice 32

 Part 2. Local Agency Formation Commission..... 34

 Chapter 1. General 34

 Chapter 2. Formation of Commission and Selection of Commissioners 36

 Chapter 3. Powers 48

 Chapter 4. Spheres of Influence 62

 Part 3. Commission Proceedings for a Change of Organization or Reorganization 69

 Chapter 1. General 69

 Chapter 2. Form, Filing, and Certification of Petition 81

 Chapter 3. Proceedings for Cities 85

 Article 1. Incorporation 85

 Article 2. Special Reorganization 86

 Article 3. Annexation and Other Changes of Organization 87

 Article 4. Initiation by Petition 95

 Chapter 4. Fiscal Provisions 97

 Article 1. Comprehensive Fiscal Analysis 97

 Article 2. Property Tax Exchange 100

 Article 3. Revenue Neutrality 106

 Chapter 5. Proceedings for Special Districts 107

 Article 1. Representation and Functions 107

 Article 1.5. New or Different Services 112

 Article 2. Reorganization 114

 Article 3. Formation..... 124

 Article 4. Initiation by Petition 125

 Article 5. Miscellaneous 127

 Chapter 6. Commission Decision 129

Article 1. Determinations	129
Article 2. Terms and Conditions	130
Article 3. Reconsideration	136
Article 4. Amendment	137
Part 4. Conducting Authority Proceedings for Changes of Organization or Reorganization	138
Chapter 1. General	138
Chapter 2. Notice of Hearing	140
Chapter 3. Conduct of Hearing	141
Chapter 4. Resolution of Conducting Authority	142
Chapter 5. Resolution for Order Subject to Election	149
Chapter 6. Elections	156
Chapter 7. Confirmation of Election Results	166
Chapter 8. Completion/Effective Date of Change of Organization or Reorganization	168
Part 5. Terms and Conditions and Effect of a Change of Organization or Reorganization	170
Chapter 1. General	170
Chapter 2. Effect of Annexation	171
Chapter 3. Effect of Detachment	172
Chapter 4. Effect of Incorporation.....	173
Chapter 5. Effect of Disincorporation	177
Chapter 6. Effect of Dissolution	180
Chapter 7. Effect of Consolidation of Cities	184
Chapter 8. Effect of Consolidation of Districts	186
Chapter 9. Mergers and the Establishment of Subsidiary Districts	187
Chapter 10. Effect of Reorganization	189
Related Sections in the Revenue and Taxation Code	190
Appendix A: LAFCO Contact Information	207
Appendix B: LAFCO-Related Publications.....	213
Index	215

SUMMARY OF LAFCO-RELATED LEGISLATION

Chaptered Bills:

AB 1581 (Assembly Committee on Local Government), Chapter 31: Makes minor, technical changes to LAFCO statutes.

SB 13 (Dodd), Chapter 482: Reauthorizes the Napa and San Bernardino LAFCO pilot program to approve extensions of service outside of a local agency's sphere of influence, and expands the program to allow Napa LAFCO to approve specified service extensions, until January 1, 2026.

Code Sections Affected:

Government Code sections amended: 56066, 56123, 56124, 56133, 56375, 56427, and 56879

Government Code sections added: 56133.5 and 56133.6

Government Code sections repealed: 56375.2, 56387, 56388, 56747, 56760, 57001.1, 57075.5, 57202.1, and 57383

Government Code section renumbered: 56325.1 to 56331.4

OUTLINE OF THE ACT

PART 1. GENERAL

56000	Chapter 1	Legislative Findings and Declarations
56010	Chapter 2	Definitions
56100	Chapter 3	Introductory and General Provisions
56150	Chapter 4	Notice

PART 2. LOCAL AGENCY FORMATION COMMISSION

56300	Chapter 1	General
56325	Chapter 2	Formation of Commission and Selection of Commissioners
56375	Chapter 3	Powers
56425	Chapter 4	Spheres of Influence

PART 3. COMMISSION PROCEEDINGS FOR A CHANGE OF ORGANIZATION OR REORGANIZATION

56650	Chapter 1	General
56700	Chapter 2	Form, Filing, and Certification of Petition
	Chapter 3	Proceedings for Cities
56720		Article 1 Incorporation
56730		Article 2 Special Reorganization
56737		Article 3 Annexation and Other Changes of Organization
56760		Article 4 Initiation by Petition
	Chapter 4	Fiscal Provisions
56800		Article 1 Comprehensive Fiscal Analysis
56810		Article 2 Property Tax Exchange
56815		Article 3 Revenue Neutrality
	Chapter 5	Proceedings for Special Districts
56821		Article 1 Representation and Functions
56824.10		Article 1.5 New or Different Services
56825		Article 2 Reorganization
56859		Article 3 Formation
56864		Article 4 Initiation by Petition
56875		Article 5 Miscellaneous
	Chapter 6	Commission Decision
56880		Article 1 Determinations
56885		Article 2 Terms and Conditions
56895		Article 3 Reconsideration
56897		Article 4 Amendment

PART 4. CONDUCTING AUTHORITY PROCEEDINGS FOR CHANGES OF ORGANIZATION OR REORGANIZATION

57000	Chapter 1	General
57025	Chapter 2	Notice of Hearing
57050	Chapter 3	Conduct of Hearing
57075	Chapter 4	Resolution of Conducting Authority
57100	Chapter 5	Resolution for Order Subject to Election
57125	Chapter 6	Elections
57176	Chapter 7	Confirmation of Election Results
57200	Chapter 8	Completion and Effective Date of Change of Organization or Reorganization

PART 5. TERMS AND CONDITIONS AND EFFECT OF A CHANGE OF ORGANIZATION OR REORGANIZATION

57300	Chapter 1	General
57325	Chapter 2	Effect of Annexation
57350	Chapter 3	Effect of Detachment
57375	Chapter 4	Effect of Incorporation
57400	Chapter 5	Effect of Disincorporation
57450	Chapter 6	Effect of Dissolution
57475	Chapter 7	Effect of Consolidation of Cities
57500	Chapter 8	Effect of Consolidation of Districts
57525	Chapter 9	Mergers and the Establishment of Subsidiary Districts
57550	Chapter 10	Effect of Reorganization

**DIVISION 3. CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT
REORGANIZATION ACT OF 2000**

PART 1. GENERAL

**CHAPTER 1. LEGISLATIVE FINDINGS AND
DECLARATIONS**

Title	56000. This division shall be known and may be cited as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
Legislative findings and declarations; state interests	56001. The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. The Legislature also recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development. Therefore, the Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.
Priorities	The Legislature recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions and limited financial resources. The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service

priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

CHAPTER 2. DEFINITIONS

Definitions

56010. Unless the provision or context otherwise requires, the definitions contained in this chapter govern the construction of this division. The definition of a word applies to any of that word's variants.

"Affected city"

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.

"Affected county"

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.

"Affected district"

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.

"Affected local agency"

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.

"Affected territory"

56015. "Affected territory" means any territory for which a change of organization, reorganization, or sphere of influence change is proposed or ordered, or any territory to which services are proposed to be provided pursuant to sections 56133, 56133.5, or 56134.

"Agricultural lands" **56016.** "Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.

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

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

"Application" **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.
 (d) A request by a public agency for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to Section 56134.

56018. [Repealed by Stats. 2011, Ch. 300]

"Board of directors" **56019.** "Board of directors" means the legislative body or governing board of a district.

"Board of supervisors" **56020.** "Board of supervisors" means the legislative body or governing board of a county.

"Certificate of completion" **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.

"Certificate of filing" **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.

"Certificate of termination of proceedings" **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.

"Change of organization"

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).

"City"

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

"City council"

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

"City officer"

56025. "City officer" means the mayor or a member of the city council.

"Clerk"

56026. "Clerk" means the clerk or secretary of a commission, county, city, or district, or the clerk or secretary of the legislative body of a county, city, or district. Where the office of county clerk is separate from the office of the clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors. Where the office of county clerk is separate from the office of the registrar of voters, "clerk" means the registrar of voters with respect to all duties pertaining to the conduct of elections and the county clerk with respect to all other duties.

"Commission"	56027. "Commission" means a local agency formation commission.
"Commission proceedings"	56028. "Commission proceedings" means proceedings which are taken by a commission pursuant to Part 3 (commencing with Section 56650).
"Conducting authority"	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.
"Consolidation"	56030. "Consolidation" means the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district.
"Contiguous"	56031. (a) "Contiguous" means territory that abuts or shares a common boundary with territory within a 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.
"County officer"	56032. "County officer" means a member of the board of supervisors.
"Dependent special district" or "dependent district"	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 Section 56036 and 56036.6.
"Detachment"	56033. "Detachment" means the exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.
"Disadvantaged unincorporated community"	56033.5. "Disadvantaged unincorporated community" means inhabited territory, as defined by Section 56046, or as determined by commission policy, that constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code.

"Disincorporation"

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.

"Dissolution"

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.

"District" or "special district"

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.

**Change of organization;
principal act**

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

Non-districts

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 Section 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.

56037. [Repealed by Stats. 2011, Ch. 300]

"Divestiture of power"

56037.2. "Divestiture of power" means the termination of the power and authority to provide particular functions or classes of services within all or part of the jurisdictional boundaries of a special district.

"Elections official"

56037.5. "Elections official" shall have the same meaning as in Section 320 of the Elections Code.

"Executive officer"

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

"Feasible"

56038.5. "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors.

"Formation"	56039. "Formation" means the creation of a district.
"Function"	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.
"Improvement district"	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. 56042. [Repealed by Stats. 2011, Ch. 300]
"Inactive district"	56042. "Inactive district" means a special district that meets all of the following: <ul style="list-style-type: none"> (a) The special district is as defined in Section 56036. (b) The special district has had no financial transactions in the previous fiscal year. (c) The special district has no assets and liabilities. (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.
"Incorporation"	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.
"Independent district" or "independent special district"	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, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who 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.
"Independent special district officer"	56045. "Independent special district officer" means the presiding officer or a member of the legislative body of an independent special district.
"Indirect cost"	56045.5. "Indirect cost" has the same meaning as used in paragraph (2) of subdivision (b) of Section 33338 of the Education Code.

"Inhabited territory"	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.
"Initiate" or "initiation"	56047. "Initiate" or "initiation" means the issuance of a certificate of filing by the executive officer.
"Interested agency"	56047.5. "Interested agency" means each local agency which provides facilities or services in the affected territory.
"Joint powers agency" or "joint powers authority"	56047.7. "Joint powers agency" or "joint powers authority" means an agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1) that is formed for the local performance of governmental functions that includes the provision of municipal services.
"Landowner" or "owner of land"	<p>56048. "Landowner" or "owner of land" means any of the following:</p> <p>(a) A person or persons 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 or persons are no longer the owner, the landowner or owner of land is any person or persons entitled to be shown as the owner of land on the next equalized assessment roll.</p> <p>(b) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as the purchaser.</p> <p>(c) Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals.</p>
"Landowner-voter"	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.
"Landowner-voter district"	56050. "Landowner-voter district" means a district whose principal act provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter.

- "Latent service or power"** **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.
- "Last equalized assessment roll"** **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.
- "Legal representative"** **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.
- "Legislative body"** **56053.** "Legislative body" means the governing board of a city, county, or district.
- "Local agency"** **56054.** "Local agency" means a city, county, or district.
- "Member district"** **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.
- "Merger"** **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.
- "Next equalized assessment roll"** **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.
- 56058.** [Repealed by Stats. 2011, Ch. 300]

"Open space"	56059. "Open space" means any parcel or area of land or water which is substantially unimproved and devoted to an open-space use, as defined in Section 65560.
"Open-space use"	56060. "Open-space use" means any use as defined in Section 65560.
"Overlap" or "overlapping territory"	56061. "Overlap" or "overlapping territory" means territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.
"Parent district"	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. 56063. [Repealed by Stats. 2011, Ch. 300]
"Prime agricultural land"	56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications: <ul style="list-style-type: none"> (a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible. (b) Land that qualifies for rating 80 through 100 Storie Index Rating. (c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003. (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre. (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

- "Principal act"** **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.
- "Principal county"** **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~~ **organization, reorganization, or determination of a sphere of influence** is proposed.
(Amended by Stats. 2021, Ch. 31)
- "Proceeding" or "proceeding for a change of organization" or "proceeding for a reorganization"** **56067.** "Proceeding," "proceeding for a change of organization," or "proceeding for a reorganization" means proceedings taken by the commission for a proposed change of organization or reorganization pursuant to Part 4 (commencing with Section 57000).
- 56068.** [Repealed by Stats. 2011, Ch. 300]
- "Proposal"** **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.
- "Protest proceedings"** **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.
- "Public agency"** **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.
- "Registered voter"** **56071.** "Registered voter" means any elector registered under, and pursuant to, the Elections Code.
- "Registered-voter district"** **56072.** "Registered-voter district" means a district whose principal act provides that registered voters residing within the district are entitled to vote for the election of district officers, incurring of bonded indebtedness, or any other district matter.

"Reorganization"	56073. "Reorganization" means two or more changes of organization contained within a single proposal.
"Resolution of application"	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 or the document adopted by a commission pursuant to paragraph (2) of subdivision (a) of Section 56375 or by subdivision (c) of Section 56879.
"Service"	56074. "Service" means a specific governmental activity established within, and as a part of, a function of a local agency.
"Service Review"	56074.5. "Service review" means an analysis conducted by the commission documenting and analyzing the services in a particular geographic region or jurisdictional area pursuant to the requirements of Section 56430.
"Special assessment district" or "assessment district"	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.
"Special reorganization"	56075.5. "Special reorganization" means a reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.
"Sphere of influence"	56076. "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.
"Subject agency"	56077. "Subject agency" means each district or city for which a change of organization or reorganization is proposed or provided in a plan of reorganization.
"Subsidiary district"	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.
	56079. [Repealed by Stats. 2011, Ch. 300]

“Uninhabited Territory”

56079.5. “Uninhabited territory” means territory within which there reside fewer than 12 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.

"Urban service area"

56080. "Urban service area" means developed, undeveloped, or agricultural land, either incorporated or unincorporated, within the sphere of influence of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by urban facilities, utilities, and services during the first five years of an adopted capital improvement program of the city if the city adopts that type of program for those facilities, utilities, and services. The boundary around an urban area shall be called the "urban service area boundary" and shall be developed in cooperation with a city and adopted by a commission pursuant to policies adopted by the commission in accordance with Sections 56300, 56301, and 56425.

"Voter"

56081. "Voter" means a landowner-voter or a registered voter.

CHAPTER 3. INTRODUCTORY AND GENERAL PROVISIONS

Exclusive authority and procedure

56100. (a) Except as otherwise provided in Section 56036.5 and subdivision (b) of Section 56036.6, 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.

Conflict with principal act

(b) Notwithstanding any other 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.

Disclosure of contributions, expenditures, and independent expenditures

56100.1. (a) Contributions and expenditures for political purposes related to a proposal or proceeding shall be disclosed and reported pursuant to Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act of 1974 (Title 9

(commencing with Section 81000)).

(b) A commission may require, through the adoption of written policies and procedures, additional disclosure of contributions in support of or opposition to a proposal, which shall be made either to the commission's executive officer, in which case it shall be posted on the commission's Web site, if applicable, or to the board of supervisors of the county in which the commission is located, which may designate a county officer to receive the disclosure. Disclosure pursuant to a requirement under the authority provided in this section shall be in addition to any disclosure otherwise required by Section 56700.1, 57009, or local ordinance.

56101. [Repealed by Stats. 2014, Ch. 112]

Change deemed complete by certificate of completion

56102. For the purpose of any action to determine or contest the validity of any change of organization or reorganization, the change of organization or reorganization shall be deemed to be completed and in existence upon the date of execution of the certificate of completion.

Action to determine validity of any change

56103. An action to determine the validity of any change of organization, reorganization, or sphere of influence determination completed pursuant to this division shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

Mediation proceeding

56103.5. Any action brought in the superior court relating to this division may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1 of Title 7.

Severability

56104. If any provision of this division or the application of any provision of this division in any circumstance or to any person, city, county, district, the state, or any agency or subdivision of the state is held invalid, that invalidity shall not affect other provisions or applications of this division which can be given effect without the invalid provision or application of the invalid provision, and to this end the provisions of this division are severable.

Protest to regularity of proceedings

56105. Any protest or objection pertaining to the regularity or sufficiency of any proceedings or commission proceedings shall be in writing, clearly specify the defect, error, irregularity, or omission to which protest or objection is made and shall be filed within the time and in the manner provided by this division. Any protest or objection pertaining to any of these matters which is not so made and filed is deemed voluntarily waived.

Time for action directory rather than mandatory	56106. Any provisions in this division governing the time within which an official or the commission is to act shall in all instances, except for notice requirements and the requirements of subdivision (h) of Section 56658, and subdivision (b) of Section 56895, be deemed directory, rather than mandatory.
Construction; harmless irregularities	56107. (a) This division shall be liberally construed to effectuate its purposes. No change of organization or reorganization ordered under this division and no resolution adopted by the commission making determinations upon a proposal shall be invalidated because of any defect, error, irregularity, or omission in any act, determination, or procedure which does not adversely and substantially affect the rights of any person, city, county, district, the state, or any agency or subdivision of the state.
Commission determinations final in absence of fraud or abuse of discretion Standard of legal review	(b) All determinations made by a commission under, and pursuant to, this division shall be final and conclusive in the absence of fraud or prejudicial abuse of discretion. (c) In any action or proceeding to attack, review, set aside, void, or annul a determination by a commission on grounds of noncompliance with this division, any inquiry shall extend only to whether there was fraud or a prejudicial abuse of discretion. Prejudicial abuse of discretion is established if the court finds that the determination or decision is not supported by substantial evidence in light of the whole record.
Substantial evidence test	
Automatic merger doctrine	56116. The Legislature declares that the doctrine of automatic merger of a district with a city or the merger by operation of law of a district with a city has no further force or effect. The existence of a district shall not be extinguished or terminated as a result of the entire territory of that district being heretofore or hereafter included within a city unless that district is merged with the city as a result of proceedings taken pursuant to this division.
Mergers and subsidiary districts; mutual service agreements	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.
Mergers and subsidiary districts; proposal in alternative	56118. Except for a proposal for the merger of a then existing subsidiary district, any proposal for a merger or establishment of a subsidiary district authorized by this division shall contain a request in the alternative, requesting either a merger or the establishment of a subsidiary district, as may be determined during

the course of the proceedings. Any proposal requesting only merger shall be deemed to also include a request for the establishment of a subsidiary district and any proposal requesting only the establishment of a subsidiary district shall be deemed to also include a request for merger.

Consistency with district principal acts

56119. It is not necessary for the principal act of any district to adopt or incorporate this division by reference and any change of organization or reorganization provided for by this division may be made by, or with respect to, any district. Except as otherwise provided in this division, in any change of organization or reorganization the principal act shall govern as to any provisions in the principal act pertaining to boundaries, to contiguity or noncontiguity of territory, to the incorporated or unincorporated status of territory, and to the overlapping of territory of a district with the territory of another district or city. Unless otherwise provided by the principal act, any territory annexed to a district shall be contiguous to the district and shall not be a part of another district formed under the same principal act without the consent of the other district.

Contiguity requirements

Parent and member districts; automatic boundary change

56120. Where the principal act of any parent district provides that the boundaries of the parent district shall be automatically changed in the event of a change in the boundaries of a member district, or that the boundaries of the parent district may be concurrently changed with a change in the boundaries of a member district, the boundaries of the parent district shall be deemed to be automatically, or may be concurrently, changed as the case may be, when proceedings are in accordance with the provisions of the principal acts of any parent district, upon completion of a change of organization or a reorganization changing the boundaries of the member district. The commission of the principal county of the member district shall have exclusive jurisdiction over such a change in boundaries of the member district and also of any parent district subject to this division.

Rights of bondholders; enforcement

56121. No change of organization or reorganization, or any term or condition of a change of organization or reorganization, shall impair the rights of any bondholder or other creditor of any county, city, or district. Nor shall any change of organization or reorganization, or any term or condition of a change of organization or reorganization, impair the contract rights, or contracts entered into by a public entity created by a joint exercise of powers agreement established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code. Notwithstanding any provision of this division, or of any change of organization or reorganization,

or any term or condition of a change of organization or reorganization, each and every bondholder or other creditor may enforce all of his or her rights in the same manner, and to the same extent, as if the change of organization, reorganization, term, or condition had not been made. Those rights may also be enforced against agencies, and their respective officers, as follows:

- (a) Annexation or detachment: against the city or district to, or from, which territory is annexed or detached.
- (b) Incorporation: against the newly incorporated city.
- (c) Formation: against the newly formed district.
- (d) Disincorporation: against the successor county receiving distribution of the remaining assets of the disincorporated city.
- (e) Dissolution: against the local agency receiving distribution of all or any part of the remaining assets of a dissolved district.
- (f) Consolidation: against the consolidated successor city or district.
- (g) Reorganization: against the affected city or district, successor county or newly incorporated city or newly formed district, as the case may be, for any of the above enumerated changes of organization or city incorporations which may be included in the particular reorganization.

Enforceability of Section 56886; effect on bondholders or other creditors

56122. Section 56886 and any term and condition provided by, or made pursuant to, that section shall be enforceable by, between, among, and against any public agency or agencies designated in the term and condition, but shall not constitute, or be given effect as, a limitation upon the power of any bondholder or other creditor to enforce his or her rights, particularly any rights provided for by Part 5 (commencing with Section 57300), as if Section 56886 had not been enacted or the term and condition had not been made or provided pursuant to that section.

Multi-county districts; principal county

56123. Except as otherwise provided in Section 56124, if a proposed change of ~~organization or a reorganization~~ **organization, reorganization, or determination of a sphere of influence** applies to two or more affected counties, for the purpose of this division, exclusive jurisdiction shall be vested in the commission of the principal county. Any notices, proceedings, orders, or any other acts authorized or required to be given, taken, or made by the commission, board of supervisors, clerk of a county, or any other county official, shall be given, taken, or made by the persons holding those offices in the principal county. The commission of the principal county shall provide notice to the legislative body and the executive officer of all affected agencies of any proceedings, actions, or reports on the proposed change of organization or reorganization. Any officer of a county other than the principal county shall cooperate with the commission of the

principal county and shall furnish the commission of the principal county with any certificates, records, or certified copies of records as may be necessary to enable the commission of the principal county to comply with this division.

(Amended by Stats. 2021, Ch. 31)

Jurisdiction other than principal county; requirements

56124. If a proposed change of **organization or a reorganization organization, reorganization, or determination of a sphere of influence** applies to two or more affected counties, for purposes of this division, exclusive jurisdiction may be vested in the commission of an affected county other than the commission of the principal county if all of the following occur:

(a) The commission of the principal county approves of having exclusive jurisdiction vested in another affected county.

(b) The commission of the principal county designates the affected county which shall assume exclusive jurisdiction.

(c) The commission of the affected county so designated agrees to assume exclusive jurisdiction.

If exclusive jurisdiction is vested in the commission of an affected county other than the principal county pursuant to this section, any notices, proceedings, orders, or any other acts authorized or required to be given, taken, or made by the commission, board of supervisors, clerk of a county, or any other officer of a county, shall be given, taken, or made by the persons holding those offices in the affected county. Any officer of a county other than the affected county shall cooperate with the commission of the affected county and shall furnish the commission of the affected county with any certificates, records, or certified copies of records as may be necessary to enable the commission of the affected county to comply with this division.

(Amended by Stats. 2021, Ch. 31)

District formation as part of reorganization

56125. If any reorganization provides for the formation of any new district or districts, the district or districts shall be deemed to have been formed upon compliance with the procedure and provisions of this division relating to reorganization. If the terms and conditions of any change of organization or reorganization provide for the formation of an improvement district or for the annexation of territory to, or detachment of territory from, an existing improvement district, that formation, annexation, or detachment shall be deemed to have been completed upon compliance with the procedure and provisions of this division relating to a change of organization or a reorganization. In any proceeding for a change of organization or a reorganization providing for territory to be formed into, or annexed to, or detached from, an improvement district, the clerk of the county or of the district, as the case may be, shall give mailed notice of hearing on the proposed change of organization or reorganization

Improvement district as term of condition of change

Mailed notice to landowners

No separate proceedings

to all landowners owning land within the territory. No further or separate proceedings need be taken for the formation of any improvement district or for the annexation of territory to, or detachment of territory from, the existing improvement district. To that extent only, this division shall govern and provide the exclusive procedure for the formation of any such improvement district or for the annexation of territory to, or detachment of territory from, an existing improvement district and the provisions of the principal act relating to the formation of an improvement district or for the annexation of territory to, or detachment of territory from, an existing improvement district shall have no application.

Assessor to furnish estimated assessed valuations

56126. Upon request by the executive officer or the clerk of any county or district, the assessor of any city, county, or district shall furnish estimated assessed valuations, determined by the same methods and valuations used in preparing the last equalized assessment roll, in both of the following cases:

Public agency ownership

(a) Where real property is owned by a public agency and no assessed value for that real property is shown on the roll.
(b) Where a single assessment parcel shown on the last equalized assessment roll either:

- (1) Has been split into two or more parcels by reason of the sale or conveyance of any portion of the original assessment parcel.
- (2) Overlaps two or more counties, cities, districts, or election precincts, or any combination of those entities or precincts.

Any of these estimates shall be conclusively presumed to be assessed values for the purpose of this division, but shall be given no force or effect for other purposes.

Determination that a district is not a district

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.

**Application for determination;
commission findings**

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.

"Ultimate user"

(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.

Public utility; certificate of public convenience and necessity; gas or electric service

56129. (a) If a public utility has been granted a certificate of public convenience and necessity authorizing and requiring it to furnish gas or electric service within a certain service area and, as a result of a change of organization or a reorganization, territory consisting of all, or any part, of that service area becomes a part of, or is formed into, a district authorized by its principal act to furnish gas or electric service, the district shall not furnish that service within the territory except upon approval by both of the following:

Report of the Public Utilities Commission

(1) The commission after receipt and consideration of the report of the Public Utilities Commission made as provided in Section 56131.

Voter approval

(2) The voters within the territory, given at an election as provided in Section 56130.

(b) If both of those approvals are given, upon assumption of service by the district the public utility may at any time thereafter withdraw service within the territory, unless otherwise ordered by the Public Utilities Commission.

(c) "Gas or electric service," as used in this section and in Sections 56130, 56131, and 56875, means the distribution and sale for any purpose, other than for the purpose of resale, of gas or electricity for light, heat, or power.

Election requirements

56130. Voter approval within the territory, as required by Section 56129, shall be given at an election. The question submitted at the election shall identify the district, designate the kind of service to be furnished, identify the territory within which the service is proposed to be furnished, and state the name of the public utility presently authorized to furnish the gas or electric service within the territory.

The district shall not furnish the gas or electric service, as defined in subdivision (c) of Section 56129, within the territory unless the question of furnishing the gas or electric service has been submitted to the voters at an election called, held, and conducted within the territory and a majority of the votes cast upon the question are in favor of the service. The board of supervisors or the legislative body of the conducting district may submit the question at the election called upon the question of confirmation of an order of change of organization or reorganization, or the board of directors of the district may submit the question of the gas or electric service at a special election called after completion of the proceedings for a change of organization or a reorganization. The question of the service shall be submitted as a separate proposition at any election within the

territory and shall be voted upon only by qualified voters within the territory. If the question is defeated at the election, for one year thereafter no petition requesting the gas or electric service may be filed and no new election called upon the question.

Proposals filed with the Public Utilities Commission

56131. The executive officer shall file with the Public Utilities Commission a certified copy of any proposal for a change of organization or a reorganization which provides, as a part of the change of organization or reorganization, that gas or electric service, as defined in subdivision (c) of Section 56129, be furnished by a district within any of the territory affected by the change of organization or reorganization. The certified copy need not contain any signatures if the proposal is by petition. After that change of organization or reorganization has been ordered, the clerk of the district shall file with the Public Utilities Commission a certified copy of any ordinance, resolution, or order made by the board of directors of a district proposing to furnish gas or electric service, as defined in subdivision (c) of Section 56129, within the territory.

Public Utilities Commission

After that filing, the Public Utilities Commission shall cause an investigation to be made and may conduct any hearings in connection with the proposal. Upon completion of the investigation and not later than 90 days after the date of the filing, the Public Utilities Commission shall make a report to the commission stating whether, in the opinion of the Public Utilities Commission, the proposed service by the district within the territory will substantially impair the ability of the public utility to provide adequate service at reasonable rates within the remainder of the service area of the public utility. The secretary of the Public Utilities Commission shall immediately file a certified copy of that report with the executive officer.

Investigation and report

Health care districts; notification of state agencies

56131.5. (a) Upon the filing of an application for the formation of, annexation to, detachment from, consolidation of, or dissolution of a local health care district created pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code or of an application for a reorganization including any of those changes of organization or the initiation by the commission of any of those changes of organization or any reorganization including any of those changes of organization, the commission shall notify all state agencies that have oversight or regulatory responsibility over, or a contractual relationship with, the local health care district that is the subject of the proposed change of organization or reorganization, of its receipt of the application or the initiation by the commission of the proposed change of organization or reorganization and the proposal,

including, but not limited to, the following:

(1) The State Department of Health Care Services, including, but not limited to, the Medi-Cal Division.

(2) The Office of Statewide Health Planning and Development, including, but not limited to, the Cal-Mortgage Loan Insurance Division.

(3) The California Health Facilities Financing Authority.

(4) The State Department of Public Health, including, but not limited to, the Licensing and Certification Division.

(b) A state agency shall have 60 days from the date of receipt of notification by the commission to comment on the proposal. The commission shall consider all comments received from any state agency in making its decision.

**Recreation and park districts;
notification of state agency**

56131.7. Upon the filing of an application for the formation of, consolidation of, or dissolution of a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code, or of an application for a reorganization that includes any of those changes of organization, or the initiation by the commission of any of those changes or organization or any reorganization that includes any of those changes of organization, the executive officer shall notify the Director of the State Department of Parks and Recreation. The director shall have 60 days from the date of receipt of notification by the executive officer to comment on the proposal.

The commission shall consider all comments received from the director in making its decision.

**Services by contract outside city
and district boundaries**

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the ~~commission~~ **commission of the county in which the affected territory is located.**

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

Threat to health and safety

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

Notice for alternate service provider

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

Proceedings for review

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

Exemptions

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) This section does not apply to the transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

~~(f) This section applies only to the commission of the county in which the extension of service is proposed.~~
(Amended by Stats. 2021, Ch. 31)

Pilot Program for Napa and San Bernardino commissions

56133.5. (a) A pilot program is hereby established for the Napa and San Bernardino commissions. If consistent with adopted policy, the Napa and San Bernardino commissions may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing in which the commission makes all of the following determinations:

(1) The extension of service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

(2) The commission determines both of the following:

(A) The extension of service will not result adverse impacts on open space or agricultural lands.

(B) The extension of service will not result in growth-inducing impacts.

(3) A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

(b) Subdivision (d) of Section 56133 shall apply to any request for new or extended services pursuant to this section.

(c) For purposes of this section, "planned use" means any project that is included in an approved specific plan as of July 1, 2015.

(d) The Napa and San Bernardino commissions shall submit a report before January 1, 2025, to the Legislature on their participation in the pilot program, including how many requests for extension of services were received on or after the effective date of this section, and the action by the commission to approve, disapprove, or approve with conditions. The Napa commission shall also include in the report on the pilot program information on its decision to approve, deny, or approve with conditions any authorization for the City of St. Helena to provide new or extended services outside its jurisdictional boundary and sphere of influence, as described in Section 56133.6. The report required to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(e) The pilot program established pursuant to this section shall

be consistent with Chapter 8.5 (commencing with Section 1501) of Part 1 of Division 1 of the Public Utilities Code.

(f) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Added by Stats. 2021, Ch. 482)

Napa Commission specific provisions

56133.6. (a) As part of the pilot program established pursuant to Section 56133.5, the Napa commission may authorize the City of St. Helena to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to 341 Saint Helena Hwy S, St. Helena, Napa County, Assessor's Parcel Numbers 027-130-006 and 027-130-005, and to 401 St. Helena Highway S, St. Helena, Napa County, Assessor's Parcel Numbers 027-120-052, 027-120-061, and 027-120-062, subject to approval at a noticed public hearing in which the Napa commission makes all of the following determinations:

(1) The extension of service or services will result in specific environmental benefits, including transitioning septic systems to a treated sewer system, and either of the following:

(A) The extension of services will serve an agricultural employee housing development, as contemplated by Section 17021.8 of the Health and Safety Code, of no less than 6 units and no more than 12 units.

(B) The extension of services will serve a mobilehome park reuse or mobilehome park redevelopment of no more than 25 units.

(2) The extension of service or service deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

(3) The commission determines both of the following:

(A) The extension of service will not result in adverse impacts on open space or agricultural lands.

(B) The extension of service will not result in growth-inducing impacts.

(4) A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

(b) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Added by Stats. 2021, Ch. 482)

Fire protection services by contract outside a public agency's jurisdictional boundaries

56134. (a) (1) For the purpose of this section, "fire protection contract" means a contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by Chapter 4

"Fire protection contract"

(commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or by Article 44 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that does either of the following:

(A) Transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement.

(B) Changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.

(2) A contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Section 4143 and 4144 of the Public Resources Code, that, in combination with other contracts or agreements, would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(3) For the purposes of this section, "jurisdictional boundaries" shall include the territory or lands protected pursuant to a fire protection contract entered into on or before December 31, 2015. An extension of a fire protection contract entered into on or before December 31, 2015, that would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(b) Notwithstanding Section 56133, a public agency may provide new or extended services pursuant to a fire protection contract only if it first requests and receives written approval from the commission in the affected county pursuant to the requirements of this section.

Resolution of application

(c) A request by a public agency for commission approval of new or extended services provided pursuant to a fire protection contract shall be made by the adoption of a resolution of application as follows:

(1) In the case of a public agency that is not a state agency, the application shall be initiated by the adoption of a resolution of application by the legislative body of the public agency proposing to provide new or extended services outside the public agency's current jurisdictional boundaries.

(2) In the case of a public agency that is a state agency, the application shall be initiated by the director of the state agency proposing to provide new or extended services outside the agency's current jurisdictional boundaries and be approved by the

Director of Finance.

(3) In the case of a public agency that is a local agency currently under contract with a state agency for the provision of fire protection services and proposing to provide new or extended services by the expansion of the existing contract or agreement, the application shall be initiated by the public agency that is a local agency and be approved by the Director of Finance.

Resolution of application requirements

(d) The legislative body of a public agency or the director of a state agency shall not submit a resolution of application pursuant to this section unless both of the following occur:

(1) The public agency does either of the following:

(A) Obtains and submits with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed fire protection contract.

(B) Provides, at least 30 days prior to the hearing held pursuant to paragraph (2), written notice to each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers of the proposed fire protection contract and submits a copy of each written notice with the resolution of application. The notice shall, at a minimum, include a full copy of the proposed contract.

(2) The public agency conducts an open and public hearing on the resolution, conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5) or the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), as applicable.

Plan for service requirements

(e) A resolution of application submitted pursuant to this section shall be submitted with a plan which shall include all of the following information:

(1) The total estimated cost to provide the new or extended fire protection services in the affected territory.

(2) The estimated cost of the new or extended fire protection services to customers in the affected territory.

(3) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

(4) A plan for financing the exercise of the new or extended fire protection services in the affected territory.

(5) Alternatives for the exercises of the new or extended fire protection services in the affected territory.

(6) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.

(7) The level and range of new or extended fire protection

services.

(8) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.

(9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

(10) A determination, supported by documentation, that the proposed fire protection contract meets the criteria established pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph (2), as applicable, of subdivision (a).

Independent fiscal analysis requirement

(f) The applicant shall cause to be prepared by contract an independent fiscal analysis to be submitted with the application pursuant to this section. The analysis shall review and document all of the following:

(1) A thorough review of the plan for services submitted by the public agency pursuant to subdivision (e).

(2) How the costs of the existing service provider compare to the costs of service provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services.

(3) Any other information and analysis needed to support the findings required by subdivision (j).

(g) The clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application pursuant to this section shall file a certified copy of the resolution with the executive officer.

Commission determination of complete or incomplete request

(h) (1) The executive officer, within 30 days of the receipt of a public agency's request for approval of a fire protection contract, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request does not comply with the requirements of subdivision (d), the executive officer shall determine that the request is incomplete. If a request is determined incomplete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete.

Commission hearing

(2) The commission shall approve, disapprove, or approve with conditions the contract for new or extended services following the hearing at the commission meeting, as provided in paragraph (1). If the contract is disapproved or approved with conditions, the

applicant may request reconsideration, citing the reasons for reconsideration.

(i) (1) The commission shall not approve an application for approval of a fire protection contract unless the commission determines that the public agency will have sufficient revenues to carry out the exercise of the new or extended fire protection services outside its jurisdictional boundaries, except as specified in paragraph (2).

(2) The commission may approve an application for approval of a fire protection contract where the commission has determined that the public agency 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 revenues sources pursuant to Section 56886 are not approved, the authority of the public agency to provide new or extended fire protection services shall not be exercised.

(j) The commission shall not approve an application for approval of a fire protection district unless the commission determines, based on the entire record, all of the following:

(1) The proposed exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001 and 56300.

(2) The commission has reviewed the fiscal analysis prepared pursuant to subdivision (f).

(3) The commission has reviewed any testimony presented at the public hearing.

(4) The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.

Electronic and mailed notice

(k) At least 21 days prior to the date of the hearing, the executive officer shall give mailed notice of that 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 and shall post the notice of the hearing on the commission's Internet Web site.

(l) 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.

(m) This section shall not be construed to abrogate a public agency's obligations under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title1).

CHAPTER 4. NOTICE

Means of notice

56150. Unless the provision or context otherwise requires, whenever this division requires notice to be published, posted, or mailed, the notice shall be published, posted, or mailed as provided in this chapter. Unless the provision or context otherwise requires, whenever this division requires notice to be given that notice shall also be given in electronic format on a website provided by the commission, to the extent that the commission maintains a website.

Notice given by clerk; contents

56151. Notice authorized or required to be given by publication, posting, or mailing shall be given by the clerk or executive officer and shall contain all matters required by any particular provision of this division. If any ordinance, resolution, or order of any legislative body or the commission gives notice and contains all matters required to be contained in any notice, the clerk or executive officer may cause a copy of that ordinance, resolution, or order to be published, posted, or mailed, in which case no other notice need be given by the clerk or executive officer.

Resolution or ordinance sufficient

Notice given by clerk or executive officer if not specified

56152. Whenever any notice is required to be given and the duty of giving that notice is not specifically enjoined upon some officer, agency, or person, the clerk or executive officer, as the case may be, shall give notice or cause that notice to be given.

Publication in newspaper(s) of general circulation

56153. Notice required to be published shall be published pursuant to Section 6061 in one or more newspapers of general circulation within each affected county, affected city, or affected district. If any newspaper is a newspaper of general circulation in two or more affected cities or affected districts, publication in that newspaper shall be sufficient publication for all those affected cities or affected districts. If there are two or more affected counties, publication shall be made in at least one newspaper of general circulation in each of the affected counties.

Publication in two or more Counties

Publication; 21 days prior

56154. If the published notice is a notice of a hearing, publication of the notice shall be commenced at least 21 days prior to the date specified in the notice for the hearing.

Notice by first-class mail

56155. Except as otherwise provided in this division, mailed notice shall be sent first class and deposited, postage prepaid, in

the United States mails and shall be deemed to have been given when so deposited.

Mailing; 21 days prior

56156. If the mailed notice is notice of a hearing, the notice shall be mailed at least 21 days prior to the date specified in the notice for hearing.

Mailing; addresses

56157. When mailed notice is required to be given to:

(a) A county, city, or district, it shall be addressed to the clerk of the county, city, or district.

(b) A commission, it shall be addressed to the executive officer.

(c) Proponents, it shall be addressed to the persons so designated in the petition at the address specified in the petition.

(d) Landowners within the affected territory, it shall be addressed to each person to whom land is assessed, as shown upon the most recent assessment roll being prepared by the county at the time the proponent adopts a resolution of application pursuant to Section 56654 or files a notice of intention to circulate a petition with the executive officer pursuant to subdivision (a) of Section 56700.4, at the address shown upon the assessment roll and, in the case of commission proceedings as defined in Section 56028, to all landowners within 300 feet of the exterior boundary of the property that is the subject of the hearing, at least 21 days prior to the hearing. This requirement may be waived if proof satisfactory to the commission is presented that shows that individual notices to landowners have already been provided by the initiating agency. Notice also shall be either posted or published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the affected territory 21 days prior to the hearing.

(e) Persons requesting special notice, it shall be addressed to each person who has filed a written request for special notice with the executive officer or clerk at the mailing address specified in the request.

(f) Registered voters within the affected territory, to the address as shown on the most recent index of affidavits prepared by the county elections official at the time the proponent adopts a resolution of application pursuant to Section 56654 or files a notice of intention to circulate a petition with the executive officer pursuant to subdivision (a) of Section 56700.4 and, in the case of commission proceedings as defined in Section 56028, to all registered voters within 300 feet of the exterior boundary of the property that is the subject of the hearing, at least 21 days prior to the hearing. This requirement may be waived if proof satisfactory to the commission is presented that shows that individual notices to registered voters have already been provided by the initiating agency. Notice shall also either be posted or published in accordance with Section 56153 in a newspaper of general

circulation that is circulated within the affected territory 21 days prior to the hearing.

(g) Pursuant to subdivisions (d) and (f), if a landowner or landowners and registered voter or voters are the same individual or individuals, only one notice is required to be mailed.

(h) If the total number of notices required to be mailed in accordance with subdivisions (d) and (f) exceeds 1,000, then notice may instead be provided by publishing a display advertisement of at least one-eighth page in a newspaper, as specified in Section 56153, at least 21 days prior to the hearing.

Posted notice; place

56158. Notice required to be posted shall be posted on or near the doors of the meeting room of the legislative body or commission or upon any official bulletin board used for the purpose of posting public notices by, or pertaining to, the legislative body or commission.

Posted notice; time

56159. Posted notice shall remain posted for not less than five days. If the posted notice is notice of a hearing, posting shall be commenced at least 21 days prior to the date specified in the notice for hearing and shall continue to the time of the hearing.

Failure to receive notice; validity of action

56160. The failure of any person or entity to receive notice given pursuant to this division shall not constitute grounds for any court to invalidate any action taken for which the notice was given.

PART 2. LOCAL AGENCY FORMATION COMMISSION

CHAPTER 1. GENERAL

Written policies and procedures

56300. (a) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns.

Legislative intent

Disclosure hearing

(b) Each commission with a proposal pending on January 1, 2001, shall, by March 31, 2001, hold a public hearing to discuss the adoption of policies and procedures to require the disclosure of contributions, expenditures, and independent expenditures authorized by Section 56100.1. Reporting requirements adopted pursuant to this section shall be effective upon the date of adoption or a later date specified in the resolution. Any commission that does not have a proposal pending on January 1, 2001, shall hold a public hearing to discuss the adoption of those policies and procedures within 90 days of submission of a proposal or at any

time prior to submission of a proposal. Once a hearing has taken place under this subdivision, no subsequent hearing shall be required except by petition of 100 or more registered voters residing in the county in which the commission is located.

Lobbying disclosure policies

(c) A commission may require, through the adoption of written policies and procedures, lobbying disclosure and reporting requirements for persons who attempt to influence pending decisions by commission members, staff, or consultants.

Disclosure shall be made either to the commission's executive officer, in which case it shall be posted on the commission Web site, if applicable, or to the recorder, registrar of voters, or clerk of the board of supervisors of the county in which the commission is located. Each commission that on January 1, 2001, has a pending proposal, as defined in Section 56069 shall, by March 31, 2001, hold a public hearing to discuss the adoption of policies and procedures governing lobbying disclosure authorized by this subdivision. Reporting requirements adopted pursuant to this section shall be effective upon the date of adoption or on a later date specified in the resolution. Any commission that does not have a proposal pending on January 1, 2001, shall hold a public hearing to discuss the adoption of those policies and procedures within 90 days of submission of a proposal, or at any time prior to submission of a proposal.

(d) Any public hearings required by this section may be held concurrently.

Forms for submittals required

(e) The written policies and procedures adopted by the commission shall include forms to be used for various submittals to the commission including at a minimum a form for any protests to be filed with the commission concerning any proposed organization change.

Internet website required

(f) (1) On or before January 1, 2002, the commission shall establish and maintain, or otherwise provide access to notices and other commission information for the public through an Internet Website.

Electronic notice required

(2) The written policies and procedures adopted by the commission shall require that, to the extent that the commission maintains an Internet Web site, notice of all public hearings and commission meetings shall be made available in electronic format on that site.

Purposes of commission

56301. Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and

Determination for new agencies

reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities. When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services.

CHAPTER 2. FORMATION OF COMMISSION AND SELECTION OF COMMISSIONERS

Creation; composition

56325. There is hereby continued in existence in each county local agency formation commission. Except as otherwise provided in this chapter, the commission shall consist of members appointed as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall be an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of a regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

City members

(b) Two appointed by the cities in the county, each of whom shall be a mayor or council member, appointed by the city selection committee. The city selection committee shall also appoint one alternate member who shall also be a mayor or council member and shall be appointed and serve pursuant to Section 56335. The city selection committee is encouraged to appoint members to fairly represent the diversity of the cities in the county, with respect to population and geography.

District members

(c) Two presiding officers or members of legislative bodies of independent special districts appointed by the independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also appoint a presiding officer or member of the legislative body of an independent special district as an alternate member who shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to make appointments that fairly represent the diversity of the independent special districts in the county, with respect to population and

Public member

geography.

(d) One representing the general public appointed by the other members of the commission. The other members of the commission may also appoint one alternate member who shall serve pursuant to Section 56331. Appointment of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members appointed by each of the other appointing authorities. Whenever a vacancy occurs in the public member or alternate public member position, the commission shall cause a notice of vacancy to be posted as provided in Section 56158. A copy of this notice shall be sent to the clerk or secretary of the legislative body of each local agency within the county. Final appointment to fill the vacancy may not be made for at least 21 days after the posting of the notice.

Composition; Los Angeles County

56326. In Los Angeles County, the commission shall consist of nine members, appointed as follows:

(a) Two appointed by the board of supervisors from its own membership. The board of supervisors shall also appoint a third supervisor who shall be an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One appointed by the board of supervisors, who shall not be a member of the board of supervisors but who shall be a resident of the San Fernando Valley Statistical Area, as defined in subdivision (c) of Section 11093. The board of supervisors shall also appoint an alternate member who shall not be a member of the board of supervisors but who is a resident of the San Fernando Valley Statistical Area. The alternate member may serve and vote in place of the member appointed pursuant to this subdivision if that member is absent or disqualifies himself or herself from participating in a meeting of the commission.

If the office of the regular member becomes vacant, the alternate member may serve and vote in place of the former regular member until the appointment and qualification of a regular member to fill the vacancy.

(c) Two appointed by the cities in the county, each of whom shall be a mayor or council member, appointed by the city selection committee. The city selection committee shall also appoint one alternate member who shall also be a mayor or council member and shall be appointed and serve pursuant to Section 56335. The city selection committee is encouraged to appoint members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(d) One appointed by the presiding officer of the legislative body of a city in the county having a population in excess of 30 percent of the total population of the county who is a member of the legislative body of the city. The presiding officer of the legislative body shall also appoint an alternate member who is a member of the legislative body. The alternate member may serve and vote in place of the member appointed pursuant to this subdivision if the member is absent or disqualifies himself or herself from participating in a meeting of the commission.

If the office of the regular member becomes vacant, the alternate member may serve and vote in place of the former regular member until the appointment and qualification of a regular member to fill the vacancy.

(e) Two presiding officers or members of legislative bodies of independent special districts appointed by the independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also appoint one alternate member who shall be a presiding officer or member of the legislative body of an independent special district and shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to appoint members to fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

(f) One representing the general public appointed by the other members of the commission. The other members of the commission may also appoint one alternate member who shall serve pursuant to Section 56331.

Composition; Sacramento County

56326.5. In Sacramento County, the commission shall consist of seven members, appointed as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place

of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One appointed by the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. The mayor shall also appoint, subject to confirmation by the council, an alternate member who is a member of the city council. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) One appointed by the cities in the county, who is a mayor or council member appointed by the city selection committee. The city selection committee shall also appoint one alternate member who shall also be a mayor or council member and shall be appointed and serve pursuant to Section 56335. The city selection committee is encouraged to appoint members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(d) Two presiding officers or members of legislative bodies of independent special districts appointed by the independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also appoint one alternate member who shall be a presiding officer or member of the legislative body of an independent special district and shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to appoint members to fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

(e) One representing the general public, appointed by the other six members of the commission. The commission may also appoint an alternate public member who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

Composition; Santa Clara County

56327. In Santa Clara County, the commission shall consist of five members, appointed as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the

commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One appointed by the city in the county having the largest population, who is a member of the legislative body of the city, appointed by the city council. The city council shall also appoint an alternate member who is a member of the legislative body of the city. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) One appointed by the cities in the county, who is a mayor or council member appointed by the city selection committee. The city selection committee shall also appoint one alternate member who shall also be a mayor or council member and shall be appointed and serve pursuant to Section 56335. The city selection committee is encouraged to appoint members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(d) One representing the general public, appointed by the other four, or, if the commission is enlarged pursuant to Section 56327.3, the other six, members of the commission. This member shall not be a resident of a city which is already represented on the commission. The commission may also appoint an alternate public member, who shall not be a resident of a city represented on the commission, and who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

Representation of special districts; Santa Clara County

56327.3. In Santa Clara County, the commission shall be enlarged by two members if, pursuant to the provisions of Chapter 5 (commencing with Section 56821), the commission orders representation of special districts upon the commission.

Composition; San Diego County

56328. (a) In San Diego County, the commission, which consists of seven members, augmented pursuant to Section 56332, shall be

additionally augmented by the appointment of an eighth member and that member shall, notwithstanding subdivision (b) of Section 56325, be a member of the legislative body of the city in the county having the largest population, appointed by the legislative body of that city.

(b) The legislative body of the city shall appoint an alternate member at the same time and in the same manner as it appoints the regular member appointed pursuant to subdivision (a). If the regular city member is absent from a commission meeting, or disqualifies himself or herself from participating in a meeting, the alternate member may serve and vote in place of the regular city member for that meeting. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

Composition; Kern County

56328.5. (a) In Kern County, the commission, which consists of seven members, augmented pursuant to Section 56332, shall be additionally augmented by the appointment of an eighth member and a ninth member.

(b) The eighth member shall, notwithstanding subdivision (b) of Section 56325, be a member of the legislative body of the city in the county having the largest population, appointed by the legislative body of that city.

The legislative body of the city shall appoint an alternate member at the same time and in the same manner as it appoints the eighth regular member. If the regular city member is absent from a commission meeting, or disqualifies himself or herself from participating in a meeting, the alternate member may serve and vote in place of the regular city member for that meeting. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) The ninth member shall represent the general public, but shall not be a member of the governing body of any local agency. The ninth member shall be appointed by the four members of the commission appointed by the county supervisors and the independent special district selection committee. Those commission members may also appoint an alternate public member, who is not a member of the governing body of any local agency, who may serve and vote in the place of the regular public member appointed pursuant to this subdivision if that regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member appointed pursuant to this subdivision becomes vacant, the alternate member may serve and vote in place of that former regular public member until the appointment and

qualification of a regular public member pursuant to this subdivision to fill the vacancy.

Composition; counties with no cities

56329. If there is no city in the county, the commission shall consist of five members, appointed as follows which may be further augmented pursuant to Sections 56332 and 56332.5:

(a) Three appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a fourth supervisor who is an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of a regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) Two representing the general public appointed by the other three members of the commission. Appointment of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities.

Alternate public members; appointment, duties

56331. When appointing a public member pursuant to Sections 56325, 56326, 56326.5, 56327, 56328, 56328.5, and 56329, the commission may also appoint one alternate public member who may serve and vote in place of a regular public member who is absent or who disqualifies himself or herself from participating in a meeting of the commission. The public member and the alternate public member shall be residents of the county of the appointing commission.

If the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

Public member restrictions

No person appointed as a public member or alternate public member pursuant to this chapter shall be an officer or employee of the county or any city or district with territory in the county, provided, however, that any officer or employee serving on January 1, 1994, may complete the term for which he or she was appointed.

Alternative member; one vote

56331.3. If two or more members are absent or disqualify themselves from participating in a meeting of the commission, any alternate member who is authorized to serve and vote in the place of a member shall only have one vote.

Independent judgment of members

~~56325.1~~ **56331.4.** While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.

(Renumbered by Stats. 2021, Ch. 31)

Independent special district selection committee

56332. (a) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to participate in a meeting or election of the independent special district selection committee, the legislative body of the district may appoint one of its members as an alternate to participate in the selection committee in the presiding officer's place. Those districts shall include districts located wholly within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable property of the district, as shown on the last equalized county assessment roll. Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer or his or her alternate as designated by the governing body. Members representing a majority of the eligible districts shall constitute a quorum.

Meetings

(b) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under one of the following circumstances:

Anticipated vacancy

(1) Whenever the executive officer anticipates that a vacancy will occur within the next 90 days among the members or alternate member representing independent special districts on the commission.

(2) Whenever a vacancy exists among the members or alternate member representing independent special districts upon the commission.

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

(4) Upon the adoption of a resolution of intention pursuant to Section 56332.5.

(5) Upon receipt of a written request by one or more members of the selection committee notifying the executive officer of the need to appoint a member representing independent special districts on an oversight board pursuant to paragraph (3) of subdivision (j) of Section 34179 of the Health and Safety Code.

Appointment of special district members

(c) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. Service on the commission by a regular district member shall not disqualify, or be cause for disqualification of, the member from acting on proposals affecting the special district on whose legislative body the member serves. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district on whose legislative body the member serves.

District member disqualification

Call for nominations

(1) The executive officer may prepare and deliver a call for nominations to each eligible district. The presiding officer, or his or her alternate as designated by the governing body, may respond in writing by the date specified in the call for nominations, which date shall be at least 30 days from the date on which the executive officer mailed the call for nominations to the eligible district.
(2) At the end of the nominating period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed. This paragraph shall be operative only if the written notice of the meeting provided pursuant to subdivision (b) discloses that, if nominations are received for only one candidate by the end of the nominating period, the candidate shall be deemed appointed and the meeting may be cancelled.

Elections by mailed ballot

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

(e) A majority of the independent special district selection committee may determine to conduct the committee's business by mail, including holding all elections by mailed ballot, pursuant to subdivision (f).

(f) If the independent special district selection committee has determined to conduct the committee's business by mail or if the executive officer determines that a meeting of the special district selection committee is not feasible, the executive officer shall conduct the business of the committee by mail. Elections by mail shall be conducted as provided in this subdivision.

(1) The executive officer shall prepare and deliver a call for nominations to each eligible district. The presiding officer, or his or her alternate as designated by the governing body, may respond in writing by the date specified in the call for nominations, which

date shall be at least 30 days from the date on which the executive officer mailed the call for nominations to the eligible district.

(2) At the end of the nominating period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed. If two or more candidates are nominated, the executive officer shall prepare and deliver one ballot and voting instructions to each eligible district. The ballot shall include the names of all nominees and the office for which each was nominated. Each presiding officer, or his or her alternate as designated by the governing body, shall return the ballot to the executive officer by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer mailed the ballot to the eligible district.

Ballot and voting instructions

(3) The call for nominations, ballots, and voting instructions shall be delivered by certified mail to each eligible district. As an alternative to the delivery by certified mail, the executive officer may transmit materials by electronic mail. All notices and election materials shall be addressed to the presiding officer, care of the clerk of the district.

(4) Nominations and ballots may be returned to the executive officer by electronic mail.

(5) Each returned nomination and ballot shall be signed by the presiding officer or his or her alternate as designated by the governing body of the eligible district.

Quorum

(6) For an election to be valid, at least a quorum of the special districts must submit valid ballots. The candidate receiving the most votes shall be elected, unless another procedure has been adopted by the selection committee. Any nomination and ballot received by the executive officer after the date specified is invalid, provided, however, that if a quorum of ballots is not received by that date, the executive officer shall extend the date to submit ballots by 60 days and notify all districts of the extension. If ballots from a quorum of the districts have not been received at the end of the 60-day extension period, the executive officer shall extend the period to return ballots for a length of time at his or her discretion until a quorum is achieved, unless another procedure has been adopted by the selection committee. The executive officer shall announce the results of the election within seven days of the date specified.

(7) For a vote on special district representation to be valid, at least a quorum of the special districts must submit valid ballots to the executive officer by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer mailed the ballot to the eligible district. If ballots from a quorum of the districts have not been received at the end of the 60-day extension period, the executive officer shall extend the period to return ballots for a length of time at his or her discretion until a quorum is achieved, unless another

procedure has been adopted by the selection committee. By a majority vote of those district representatives voting on the issue, the selection committee shall either accept or deny representation. The executive officer shall announce the results of the election within seven days of the date specified.

(8) All election materials shall be retained by the executive officer for a period of at least six months after the announcement of the election results.

"Executive officer"

(g) For purposes of this section, "executive officer" means the executive officer or designee as authorized by the commission.

Representation of independent special districts

56332.5. (a) If the commission does not have representation from independent special districts on or before January 1, 2001, the commission shall initiate proceedings for representation of independent special districts upon the commission if either of the following occur:

Proceedings

(1) Upon receipt of a written request by one or more members of the selection commission representing districts having 10 percent or more of the assessed values of taxable property within the county, as shown on the last equalized county assessment roll.

(2) Upon adoption of a resolution by the commission proposing representation of special districts upon the commission.

Meeting

(b) The commission, at its next regular meeting, shall adopt a resolution of intention. The resolution of intention shall state whether the proceedings are initiated by the commission or by an independent special district or districts, in which case, the names of those districts shall be set forth. The commission shall order the executive officer to call and give notice of a meeting of the independent special district selection committee to be held within 15 days after the adoption of the resolution in order to determine whether independent special districts shall accept representation on the commission and appoint independent special district representation pursuant to Section 56332.

Appointment of public member when commission includes special district representation

56333. When a commission is enlarged to seven members as provided in Section 56332, the public members appointed pursuant to Sections 56325 and 56329 shall thereafter be appointed by members of the commission representing cities, counties, and special districts. Those appointments shall be made at the times and in the manner provided in Section 56334.

Terms of commissioners

56334. The term of office of each member shall be four years and until the appointment and qualification of his or her successor. Upon enlargement of the commission by two members, as provided in Section 56332, the new members first appointed to represent independent special districts shall classify themselves by lot so that the expiration date of the term of office of one new

Removal from commission

member coincides with the existing member who holds the office represented by the original two-year term on the commission and the term of office of the other new member coincides with the existing member who holds the office represented by the original four-year term on the commission. The body which originally appointed a member whose term has expired shall appoint his or her successor for a full term of four years. Any member may be removed at any time and without cause by the body appointing that member. The expiration date of the term of office of each member shall be the first Monday in May in the year in which the term of the member expires, unless procedures adopted by the commission specify an alternate date to apply uniformly to all members. However, the length of a term of office shall not be extended more than once. Any vacancy in the membership of the commission shall be filled for the unexpired term by appointment by the body which originally appointed the member whose office has become vacant.

Vacancies

Chairperson

The chairperson of the commission shall be selected by the members of the commission.

Reimbursement of expenses; per diem

Commission members and alternates shall be reimbursed for the actual amount of their reasonable and necessary expenses incurred in attending meetings and in performing the duties of their office. The commission may authorize payment of a per diem to commission members and alternates for each day while they are in attendance at meetings of the commission.

City selection committee

56335. In each county containing two or more cities, regular and alternate city members to the commission shall be appointed by the city selection committee organized in the county pursuant to and in the manner provided in Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1. Regular members of the commission shall be appointed by the city selection committee pursuant to Sections 56325, 56326, and 56327.

The city selection committee shall appoint one alternate member to the commission in the same manner as it appoints a regular member. If one of the regular city members is absent from a commission meeting, or disqualifies himself or herself from participating in a meeting, the alternate member may serve and vote in place of that regular city member for that meeting.

Except in the case of a member appointed pursuant to subdivision (d) of Section 56326 or subdivision (b) of Section 56327, a city selection committee, may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the city which the member or alternate represents.

If the office of a regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

Disqualification of members

56336. Each commission may adopt regulations with respect to disqualification of members or alternates from participating in the review of a proposal. In the absence, however, of those regulations, Section 56332 or 56335 shall apply. The representation by a member or alternate of a city or district shall not disqualify, or be cause for disqualification of, the member or alternate from acting on a proposal affecting the city or the district, and any regulation providing for the disqualification of a city or district representative for that reason is null and void.

City, county, and special district members may serve while holding office

56337. A city, county, or district officer may serve as a member of the commission while holding office as a city, county, or district officer. If a member who is a city, county, or district officer ceases to be an officer of a city, county, or district during his or her term, his or her membership on the commission shall be considered vacant.

CHAPTER 3. POWERS

LAFCO powers and duties

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

To review and approve, conditionally approve, modify, or disapprove proposals

(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.

To initiate certain proceedings

(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).
- (G) The dissolution of an inactive district pursuant to Section 56879.

(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.

Disapproval limitation

(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.

Conditions regulating land use prohibited

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

Prezoning requirement

(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 prezoning 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 prezoned.

Annexation greater than 10 acres; contiguous disadvantaged unincorporated community

(8)(A) Except for those changes of organization or reorganization authorized under Section 56375.3, and except as provided by subparagraph (B), a commission shall not approve an annexation to a city of any territory greater than 10 acres, or smaller as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

No application required

(B) An application to annex a contiguous disadvantaged unincorporated community shall not be required if either of the following apply:

(i) A prior application for annexation of the same disadvantaged unincorporated community has been made in the preceding five years.

(ii) The commission finds, based upon written evidence, that a majority of the registered voters within the affected territory are opposed to annexation.

(C) This paragraph shall also apply to the annexation of two or more contiguous areas that take place within five years of each other and that are individually less than 10 acres but cumulatively more than 10 acres.

To determine whether territory is inhabited or uninhabited

(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.

To determine successor city or district

(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.

To approve annexation of noncontiguous city-owned land

(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.

Change of pre-zoning; two-year limitation

(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 **with written notice provided no less than 21 days to the commission** that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission.

Number of registered voters for incorporation or district formation

(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

To adopt standards for evaluating proposals

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.

To adopt standards for evaluation service plans

(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).

To make hearing regulations

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

To incur expenses

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

To appoint or contract for staff

(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.

To review boundaries

(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.

To waive island restrictions; findings required

(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.

Waive application; detachment from an assessment district; specific findings required

(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.

To determine exchange of property tax revenue for formation or incorporation

(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. If the proposal includes the disincorporation of a city, as defined in Section 56034, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56813.

To authorize service outside boundaries

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

To make agreements with adjoining commissions

(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.

Annexation of territory served by a mutual water company

(r) To approve with or without amendments, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operated a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.
(Amended by Stats. 2021, Ch. 31)

Reorganization or consolidation of the Sewerage Agency of Southern Marin

56375.2. [Repealed by Stats. 2021, Ch. 31]

Island annexations without protest proceedings

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:

Size restriction

(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.

"Surrounded"

(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.

Developed or developing

(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.

Non-prime

(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.

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

Separate property tax agreement

(8) Notwithstanding any other 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.

Exclusion

(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.

Limitation on island proceedings

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.

Spheres; consistency

56375.5. Every determination made by a commission regarding the matters provided for by subdivisions (a), (m), and (n) of Section 56375 and by subdivision (a) of Section 56375.3 shall be consistent with the spheres of influence of the local agencies affected by those determinations.

Open-space land conversion; policies and priorities

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

Development within jurisdiction

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency.

Authorization to initiate studies and request information from other governmental agencies

56378. (a) In addition to its other powers, the commission shall initiate and make studies of existing governmental agencies. Those studies shall include, but shall not be limited to, inventorying those agencies and determining their maximum service area and service capacities. In conducting those studies, the commission may request land use information, studies, joint powers agreements, and plans of cities, counties, districts, including school districts, community college districts, joint powers agencies and joint powers authorities, regional agencies and state agencies and departments. Cities, counties, districts, including school districts, community college districts, joint powers agencies and joint powers authorities, regional agencies, and state agencies and departments, shall comply with the request of the commission for that information and the commission shall make its studies available to public agencies and any interested person. In making these studies, the commission may cooperate with the county planning commissions.

Grants-in-aid

(b) The commission, or the board of supervisors on behalf of the commission, may apply for or accept, or both, any financial assistance and grants-in-aid from public or private agencies or

from the state or federal government or from a local government.

Request for transcript of commission meetings

56379. Any person may, prior to any meeting, request the commission to cause a stenographic or electromagnetic record to be made of a meeting. If the cost of making that record is borne by that person, the commission shall cause the record to be made. The commission may require any person requesting the record to be made to deposit the estimated cost of making the record with the commission prior to the hearing.

Personnel and facilities

56380. The commission shall make its own provision for necessary quarters, equipment, and supplies as well as personnel. The commission may choose to contract with any public agency or private party for personnel and facilities.

Annual budget

56381. (a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

Apportionment by auditor

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

Commissions with city and district representation

(1) (A) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs.

(B) The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

Intergovernmental revenue

(C) The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. Except as provided in subparagraph (D), an independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less intergovernmental revenue and for enterprise activities as total operating and nonoperating revenues less intergovernmental revenue,, as reported in the most recent edition of the "Special

Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations. For the purposes of fulfilling the requirement of this section, a multicounty independent special district shall be required to pay its apportionment in its principal county. It is the intent of the Legislature that no single district or class or type of district shall bear a disproportionate amount of the district share of costs.

(D) (i) For purposes of apportioning costs to a health care district formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code that operates a hospital, a health care district's share, except as provided in clauses (ii) and (iii), shall be apportioned in proportion to each district's net from operations as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development, as a percentage of the combined independent special districts' net operating revenues within a county.

(ii) A health care district for which net from operations is a negative number may not be apportioned any share of the commission's operational costs until the fiscal year following positive net from operations, as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development.

(iii) A health care district that has filed and is operating under public entity bankruptcy pursuant to federal bankruptcy law, shall not be apportioned any share of the commission's operational costs until the fiscal year following its discharge from bankruptcy.

(iv) As used in this subparagraph "net from operations" means total operating revenue less total operating expenses.

(E) Notwithstanding the requirements of subparagraph (C), the independent special districts' share may be apportioned by an alternative method approved by a majority of the districts, representing a majority of the combined populations. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs (C) and (D), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.

Commissions without district representation

(F) Notwithstanding the requirements of subparagraph (C), no independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district as otherwise provided in this section. In those counties in which a district's share is limited to 50 percent of the total independent special districts' share of the commission's operational costs, the share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equals the share apportioned by the auditor to independent special

districts.

(2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

Counties with no cities

(3) In counties in which there are no cities, the county and its special districts shall each provide a one-half share of the commission's operational costs. The independent special districts' share shall be apportioned in the manner described for cities' apportionment in paragraph (1). If there is no independent special district representation on the commission, the county shall pay all of the commission's operational costs.

Alternative apportionment

(4) Instead of determining apportionment pursuant to paragraph (1), (2), or (3), any alternative method of apportionment of the net operating expenses of the commission may be used if approved by a majority vote of each of the following: the board of supervisors; a majority of the cities representing a majority of the total population of cities in the county; and the independent special districts representing a majority of the combined total population of independent special districts in the county. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs (C) and (D) of paragraph (1), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.

Auditor requests payment by July 1

(c) After apportioning the costs as required in subdivision (b), the auditor shall request payment from the board of supervisors and from each city and each independent special district no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission. Between the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the

Commission determines collection method

Costs of collections

Board of supervisors transmits funds

commission's operating expenses as specified by the commission. When the city and district payments are received by the commission, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county. If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget. If, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds. The commission shall appropriate sufficient funds in its budget for the subsequent fiscal year to repay the loan.

Provision for loan to commission

Apportionment for special membership commissions

56381.6. (a) Notwithstanding the provisions of Section 56381, for counties whose membership on the commission is established pursuant to Sections 56326, 56326.5, 56327, or 56328, the commission's annual operational costs shall be apportioned among the classes of public agencies that appoint members to the commission in proportion to the number of members appointed by each class. The classes of public agencies that may be represented on the commission are the county, the cities, and independent special districts. Any alternative cost apportionment procedure may be adopted by the commission, subject to a majority affirmative vote of the commission that includes the affirmative vote of at least one of the members appointed by the county, one of the members appointed by the cities, and one of the members appointed by districts, if special districts are represented on the commission.

(b) Allocation of costs among individual cities and independent special districts and remittance of payments shall be in accordance with the procedures of Section 56381. Notwithstanding Section 56381, any city that has permanent membership on the commission pursuant to Sections 56326, 56326.5, 56327, or 56328 shall be apportioned the same percentage of the commission's annual operational costs as its permanent member bears to the total membership of the commission, excluding any public members selected by all the members. The balance of the cities' portion of the commission's annual operational costs shall be apportioned to the remaining cities in the county in accordance with the procedures of Section 56381.

Destruction of records

56382. The commission may authorize the destruction of any duplicate record, paper, or other document if the original or a photographic or electronic copy of the record, paper, or other document is retained in the files of the commission, and the commission may authorize the destruction of original records more than two years old if a photographic or electronic copy of the original record is made and preserved, provided that the following

Requirement for records

conditions are met:

(a) The record is reproduced on a medium that does not permit additions, deletions, or changes to the original document, or reproduced in compliance with the minimum standards or guidelines, or both, as recommended by the American National Standards Institute or the Association for Information and Image Management for recording of permanent records or nonpermanent records, whichever applies.

(b) The device used to reproduce the record is one that accurately and legibly reproduces the original thereof in all details and that does not permit additions, deletions, or changes to the original document images.

(c) The reproductions are made as accessible for public reference as the original records were.

(d) A true copy of archival quality of the reproductions shall be kept in a safe and separate place for security purposes.

Processing fees

56383. (a) The commission may establish a schedule of fees and a schedule of service charges 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 or updating a sphere of influence.

(4) Reconsidering a resolution making determinations.

Reasonable cost

(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 service for which the service charge is charged and shall be imposed pursuant to Section 66016.

Deposit

(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.

Fee waiver

(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

Mandatory time limits

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.

Fees for signature verification

(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.

Incorporation fees; loan from general fund

(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.

Repayment provisions

NOTE: Stats. 2010, Ch. 24, created the following uncodified provisions pertaining to a loan from the General Fund to the East Los Angeles Residents Association to cover the costs of incorporation-related proceedings.

Section 1. The sum of forty-five thousand dollars (\$45,000) is hereby transferred from the Environmental Enhancement and Mitigation Program Fund to the General Fund, and is hereby appropriated from the General Fund to the Controller for allocation to the Los Angeles County Local Agency Formation Commission for a loan to the East Los Angeles Residents Association, pursuant to subdivision (g) of Section 56383 of the Government Code.

Sec. 2. The Legislature finds and declares that this act is a special law that is necessary because a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of the Los Angeles County Local Agency Formation Commission and the East Los Angeles Residents Association. In that respect, the Los Angeles County Local Agency Formation Commission and the East Los Angeles Residents Association require this loan to complete incorporation proceedings.

Sec. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for Los Angeles County Local Agency Formation Commission to grant a loan to the East Los Angeles Residents Association to complete incorporation proceedings and to meet a contractual deadline to pay for and start an economic impact study, it is necessary that this act go into immediate effect.

Executive officer; alternate appointment

56384. (a) The commission shall appoint an executive officer who shall conduct and perform the day-to-day business of the commission. If the executive officer is subject to a conflict of interest on a matter before the commission, the commission shall appoint an alternate executive officer. The commission may recover its costs by charging fees pursuant to Section 56383.

Appointment of legal counsel

(b) The commission shall appoint legal counsel to advise it. If the commission's counsel is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate legal counsel to advise it. The commission may recover its costs by charging fees pursuant to Section 56383.

Appointment of staff

(c) The commission may appoint staff as it deems appropriate. If staff for the commission is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate staff to assist it. The commission may recover its costs by charging fees pursuant to Section 56383.

"Conflict of interest"

(d) (1) For purposes of this section, the term "conflict of interest" shall be defined as it is for the purpose of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)) and shall also include matters proscribed by Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1.

(2) For the purposes of subdivision (b), the term "conflict of interest" shall also include matters addressed by Rule 3-310 of the Rules of Professional Conduct promulgated by the State Bar of California, pertaining to representation of adverse interests.

Employee benefits

56385. The commission may contract for retirement benefits for the executive officer or staff personnel pursuant to the County Employees Retirement Law of 1937, Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3 or the Public Employees' Retirement Law, Part 3 (commencing with Section 20000) of Division 5 of Title 2. It may also provide for health and medical benefits.

The commission shall preserve accrued vacation, sick leave, compensatory time, and retirement benefits of persons hired from within the employment of their respective county.

Local, regional, and state officers to furnish information to executive officer

56386. (a) The officers and employees of a city, county, or special district, including any local agency, school district, community college district, and any regional agency, or state agency or department, as may be necessary, or any other public agency shall furnish the executive officer with any records or information in their possession which may be necessary to assist the commission and the executive officer in their duties, including, but not limited to, the preparation of reports pursuant to Sections 56665 and 56800.

(b) Upon request by the commission or the executive officer, the county surveyor, or any other county officer, county official, or employee as the board of supervisors may designate, shall examine and report to the commission or the executive officer upon any application or other document involving any of the matters specified in subdivision (l) of Section 56375.

Exclusive jurisdiction

56387. [Repealed by Stats. 2021, Ch. 31]

Commission of principal county may vest jurisdiction in county in which territory located; requirements

56388. [Repealed by Stats. 2021, Ch. 31]

CHAPTER 4. SPHERES OF INFLUENCE

Purpose and policies

56425. (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.

City-county meeting and agreement

(b) Prior to a city submitting an application to the commission to update its sphere of influence, representatives from the city and representatives from the county shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and county, the city shall forward the agreement in writing to the commission, along with the application to update the sphere of influence. The commission shall consider and adopt a sphere of influence for the city

consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement to the extent that it is consistent with commission policies in its final determination of the city sphere.

Consistency with agreement

(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.

Commission review if no agreement reached

(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

(1) The present and planned land uses in the area, including agricultural and open-space lands.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

Review and update sphere of influence

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

Feasibility of governmental reorganization

(h) In determining a sphere of influence, the commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The commission shall make all

reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

Districts; written statements

(j) When adopting, amending, or updating a sphere of influence for a special district, the commission may require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

Application to redevelopment project area

56425.5. (a) A determination of a city's sphere of influence, in any case where that sphere of influence includes any portion of the redevelopment project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code, shall not preclude any other local agency, as defined in Section 54951, including the redevelopment agency referenced in Section 33492.41 of the Health and Safety Code, in addition to that city, from providing facilities or services related to development, to or in that portion of the redevelopment project area 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.

(b) Facilities or services related to development may be provided by other local agencies to all or any portion of the area defined in paragraphs (1) to (4), inclusive, of subdivision (a). Subdivision (a) shall apply regardless of whether the determination of the sphere of influence is made before or after January 1, 2000.

Spheres of influence; farmland security zones

56426. The commission shall not approve or conditionally approve a change to the sphere of influence of a local government agency of territory that is subject to a farmland security zone contract pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1, if that local government agency provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

Sphere of influence of proposed or newly incorporated city

56426.5. (a) Beginning January 1, 1990, at the time a commission approves a proposal for an incorporation or a reorganization which

includes an incorporation, the commission may determine the sphere of influence for the proposed new city. The commission shall determine the sphere of influence for any newly incorporated city within one year of the effective date of incorporation.

(b) Beginning January 1, 2010, at the time when a commission approves a formation or reorganization that includes the formation of a district, the commission may determine the sphere of influence for the proposed new district. The commission shall determine the sphere of influence for any newly formed district within one year of the effective date of formation.

**Change to sphere of influence;
land under Williamson Act**

56426.6. (a) The commission shall not approve a change to the sphere of influence of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides, or would provide, facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

(b)(1) Notwithstanding subdivision (a), the commission may nevertheless approve a change for that territory if it finds either of the following:

(A) That the change would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of the contract beyond its current expiration date.

(B) That the change is not likely to adversely affect the continuation of the contract beyond its current expiration date.

(2) In making a determination pursuant to this subdivision, the commission shall consider all of the following:

(A) The policies and implementation measures adopted by the city or county that would administer the contract both before and after any ultimate annexation, relative to the continuation of agriculture or other uses allowable under the contract.

(B) The infrastructure plans of the annexing agency.

(C) Other factors that the commission deems relevant.

(c) This section shall not apply to any of the following:

(1) Territory that is subject to a contract for which a notice of nonrenewal has been served pursuant to Section 51245.

(2) Territory that is subject to a contract for which a tentative cancellation has been approved pursuant to Section 51282.

(3) Territory for which the governing body of the county or city administering the contract has given its written approval to the change and the landowner consents to the change.

Spheres of influence adoption and amendments; notice, hearing and continuance

56427. The commission shall adopt, amend, or revise update spheres of influence after a public hearing called and held for that purpose. 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 which is circulated within the territory affected by the sphere of influence proposed to be adopted. The commission may continue from time to time any hearing called pursuant to this section.

At any hearing called and held pursuant to this section, the commission shall hear and consider oral or written testimony presented by any affected local agency or affected county or any interested person who wishes to appear.

This section shall only apply to spheres of influence adopted by the commission after January 1, 1975.

(Amended by Stats. 2021, Ch. 31)

Request for amendments of sphere of influence

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.

CEQA; notice

(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.

Report and recommendation

(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.

Hearing

(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

Determination and decision

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.

Fee

(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.

Petition for removal from city sphere; hearing; fees

(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.

Requirements

56429. (a) Notwithstanding Sections 56425, 56427, and 56428, a petition for removal of territory from a sphere of influence determination may be brought pursuant to this section by landowners within the redevelopment project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code, if, at the time the petition is submitted, the area for which the petition is being requested 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.

(b) On receipt of a petition signed by landowners owning at least 25 percent of the assessed value of the land within the affected territory, the commission shall hear and consider oral or written testimony.

(c) The petition shall be placed on the agenda of the commission in accordance with subdivision (b) of Section 56428.

Notice and hearing

(d) The executive officer shall give notice of the hearing in accordance with Section 56427.

(e) From the date of filing of the petition to the conclusion of the hearing, the commission shall accept written positions from any

owner of land in the unincorporated territory that is seeking removal from a city's sphere of influence.

(f) The petition to remove territory from a city's sphere of influence shall be granted and given immediate effect if the commission finds that written positions filed in favor of the petition and not withdrawn prior to the conclusion of the hearing represent landowners owning 50 percent or more of the assessed value of the land within the affected territory.

(g) No removal of territory from a city's sphere of influence that is proposed by petition and adopted pursuant to this section shall be repealed or amended except by the petition and adoption procedure provided in subdivisions (a) to (f), inclusive. In all other respects, a removal of territory from a city's sphere of influence proposed by petition and adopted pursuant to this section shall have the same force and effect as any amendment to or removal of territory from a city's sphere of influence approved by the commission. No territory removed from a city's sphere of influence pursuant to this section shall be annexed to that city, unless the territory is subsequently added to the sphere of influence of the city pursuant to the petition and adoption procedure provided in this section.

Fee schedule

(h) Pursuant to Section 56383, the commission may establish a schedule of fees for the costs of carrying out this section.

Proponents pay expenses

(i) All proper expenses incurred in connection with removal of territory from a city's sphere of influence pursuant to this section shall be paid by the proponents.

Service reviews

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

Written determinations

(1) Growth and population projections for the affected area.

Disadvantaged unincorporated communities within or contiguous to sphere

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

Needs or deficiencies

(4) Financial ability of agencies to provide services.

(5) Status of, and opportunities for, shared facilities.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

(7) Any other matter related to effective or efficient service delivery, as required by commission policy.

Comprehensive service review

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.

Alternatives

(c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code). A public water system may satisfy any request for information as to compliance with that act by submission of the consumer confidence of water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.

Compliance with California Safe Drinking Water Act

Information request

(d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.

Service review with sphere update

(e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

PART 3. COMMISSION PROCEEDINGS FOR A CHANGE OF ORGANIZATION OR REORGANIZATION

CHAPTER 1. GENERAL

LAFCO proceedings initiated by petition or resolution of application

56650. Commission proceedings for a change of organization or a reorganization may be initiated by petition or by resolution of application in accordance with this chapter.

LAFCO proceedings initiated on date certificate of filing issued

56651. Commission proceedings shall be deemed initiated on the date a petition or resolution of application is accepted for filing and a certificate of filing is issued by the executive officer of the commission of the county in which the affected territory is located.

Form of application; contents

56652. Each application shall be in the form as the commission may prescribe and shall contain all of the following information:

- (a) A petition or resolution of application initiating the proposal.
- (b) A statement of the nature of each proposal.
- (c) A map and description, acceptable to the executive officer, of the boundaries of the affected territory for each proposed change of organization or reorganization.
- (d) Any data and information as may be required by any regulation of the commission.
- (e) Any additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the commission.
- (f) The names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the report by the executive officer and who are to be given mailed notice of the hearing.

Plan for providing services submitted with application

56653. (a) If a proposal for a change of organization or reorganization is submitted pursuant to this part, the applicant shall submit a plan for providing services within the affected territory.

(b) The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:

- (1) An enumeration and description of the services currently provided or to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

Annexation development plan

(c) (1) In the case of a change of organization or reorganization initiated by a local agency that includes a disadvantaged, unincorporated community as defined in Section 56033.5, a local agency may include in its resolution of application for change of organization or reorganization an annexation development plan adopted pursuant to Section 99.3 of the Revenue and Taxation

Code to improve or upgrade structures, roads, sewer or water facilities, or other infrastructure to serve the disadvantaged, unincorporated community through the formation of a special district or reorganization of one or more existing special districts with the consent of each special district's governing body.

(2) The annexation development plan submitted pursuant to this subdivision shall include information that demonstrates that the formation or reorganization of the special district will provide the following:

(A) The necessary financial resources to improve or upgrade structures, roads, sewer, or water facilities or other infrastructure. The annexation development plan shall also clarify the local entity that shall be responsible for the delivery and maintenance of the services identified in the application.

(B) An estimated timeframe for constructing and delivering the services identified in the application.

(C) The governance, oversight, and long-term maintenance of the services identified in the application after the initial costs are recouped and the tax increment financing terminates.

(3) If a local agency includes an annexation development plan pursuant to this subdivision, a local agency formation commission may approve the proposal for a change of organization or reorganization to include the formation of a special district or reorganization of a special district with the special district's consent, including, but not limited to, a community services district, municipal water district, or sanitary district, to provide financing to improve or upgrade structures, roads, sewer or water facilities, or other infrastructure to serve the disadvantaged, unincorporated community, in conformity with the requirements of the principal act of the district proposed to be formed and all required formation proceedings.

(4) Pursuant to Section 56881, the commission shall include in its resolution making determinations a description of the annexation development plan, including, but not limited to, an explanation of the proposed financing mechanism adopted pursuant to Section 99.3 of the Revenue and Taxation Code, including, but not limited to, any planned debt issuance associated with that annexation development plan.

(d) This section shall not preclude a local agency formation commission from considering any other options or exercising its powers under Section 56375.

(e) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

Disincorporation, plan for services

56653.1. In the case of a disincorporation or reorganization that includes a disincorporation, the plan for services required by subdivision (a) of Section 56653 shall include the following:

(a) An enumeration and description of the services currently provided by the city proposed for disincorporation and an identification, where applicable, of the entity or entities proposed to assume responsibility for the services following completion of disincorporation.

(b) An enumeration and description of each service proposed to be discontinued or transferred, the current financing of the service or services, and any method of financing proposed by the successor.

(c) A delineation of any existing financing of services currently provided to include, but not be limited to, bonds, assessments, community facility district governance, general taxes, special taxes, other charges, and joint powers authorities or agreements.

(d) An indication of any current bankruptcy proceeding, including, but not limited to, status and exit plan.

(e) An indication of any current order relating to services provided by the city proposed for disincorporation by any agency, department, office, or other division of the state, including, but not limited to, a cease and desist order or water prohibition order.

(f) A written statement from each entity identified pursuant to subdivision (a) that it has received a copy of the plan for services submitted pursuant to this section.

(g) Any other information that the executive officer may deem necessary to evaluate the plan for services submitted.

Resolution of application

56654. (a) A proposal for a change of organization or a reorganization may be made by the adoption of a resolution of application by the legislative body of an affected local agency, except as provided in subdivision (b).

Notice of intention

(b) Notwithstanding Section 56700, a proposal for a change of organization that involves the exercise of new or different functions or classes of services, or the divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district, shall only be initiated by the legislative body of that special district in accordance with Sections 56824.10, 56824.12, and 56824.14.

Resolution contents

(c) At least 21 days before the adoption of the resolution, the legislative body may give mailed notice of its intention to adopt a resolution of application to the commission and to each interested agency and each subject agency. The notice shall generally describe the proposal and the affected territory.

(d) Except for the provisions regarding signers and signatures, a resolution of application shall contain all of the matters specified for a petition in Section 56700 and shall be submitted with a plan for services prepared pursuant to Section 56653.

Priority of conflicting proposals

56655. If two or more proposals pending before the commission conflict or in any way are inconsistent with each other, as determined by the commission, the commission may determine the relative priority for conducting any further proceedings based on any of those proposals. That determination shall be included in the terms and conditions imposed by the commission. In the absence of that determination, priority is given to that proceeding which shall be based upon the proposal first filed with the executive officer.

Proposals affecting same or overlapping area

56657. Notwithstanding Section 56655, the commission shall not approve a proposal for incorporation, consolidation of districts, dissolution, merger, or establishment of a subsidiary district, or a reorganization that includes any of these changes of organization until it has considered any other change of organization which conflicts with the subject proposal and which was submitted to the commission within 60 days of the submission of the subject proposal.

Application to initiate proceedings

56658. (a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.

(b)(1) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each affected local agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory. The notice shall generally describe the proposal and the affected territory. The executive officer shall not be required to give notice pursuant to this subdivision if a local agency has already given notice pursuant to subdivision (c) of section 56654.

(2) It is the intent of the Legislature that a proposal for incorporation or disincorporation shall be processed in a timely manner. With regard to an application that includes an incorporation or disincorporation, the executive officer shall immediately notify all affected local agencies and any applicable state agencies by mail and request the affected agencies to submit the required data to the commission within a reasonable timeframe established by the executive officer. Each affected agency shall respond to the executive officer within 15 days acknowledging receipt of the request. Each affected local agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines established by the executive officer. Each affected state agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines agreed upon by the executive officer

and the affected state departments.

Multi-county district

(3) If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application has been received. The notice shall generally describe the proposal and the affected territory.

Application deemed complete or incomplete

(c) Except when a commission is the lead agency pursuant to Section 21067 of the Public Resources Code, the executive officer shall determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete.

(d) The executive officer shall not accept an application for filing and issue a certificate of filing for at least 20 days after giving the mailed notice required by subdivision (b). The executive officer shall not be required to comply with this subdivision in the case of an application which meets the requirements of Section 56662 or in the case of an application for which a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(e) If the appropriate fees have been paid, an application shall be deemed accepted for filing if no determination has been made by the executive officer within the 30-day period. An executive officer shall accept for filing, and file, any application submitted in the form prescribed by the commission and containing all of the information and data required pursuant to Section 56652.

Certificate of filing

(f) When an application is accepted for filing, the executive officer shall immediately issue a certificate of filing to the applicant. A certificate of filing shall be in the form prescribed by the executive officer and shall specify the date upon which the proposal shall be heard by the commission. From the date of issuance of a certificate of filing, or the date upon which an application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

Notification of incomplete filing

(g) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

Hearing within 90 days

(h) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

Notice of hearing; publication and posting

56660. The executive officer shall give notice of any hearing by the commission by publication, as provided in Sections 56153 and 56154, and by posting, as provided in Sections 56158 and 56159.

Electronic and mailed notice

56661. To the extent that the commission maintains an Internet Web site, notice of all public hearings shall be made available in electronic format on that site. The executive officer shall also give mailed notice of any hearing by the commission, as provided in Sections 56155 to 56157, inclusive, by mailing notice of the hearing or transmitting by electronic mail, if available to the recipient, to all of the following persons and entities:

To whom given

(a) To each affected local agency by giving notice to the legislative body and the executive officer of the agency.

(b) To the proponents, if any.

(c) To each person who has filed a written request for special notice with the executive officer.

(d) If the proposal is for any annexation or detachment, or for a reorganization providing for the formation of a new district, to each city within three miles of the exterior boundaries of the territory proposed to be annexed, detached, or formed into a new district.

(e) If the proposal is to incorporate a new city or for the formation of a district, to the affected county.

(f) If the proposal includes a change of organization or reorganization of a city or special district that provides or would provide structural fire protection services and all or part of the affected territory is a state responsibility area, as determined pursuant to Article 3 (commencing with Section 4125) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, to the Director of Forestry and Fire Protection.

(g) If the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), to the Director of Conservation.

(h) To all landowners within the affected territory pursuant to the provisions of subdivision (d) of Section 56157.

(i) To all registered voters within the affected territory pursuant to the provisions of subdivision (f) of Section 56157.

Determinations without notice and hearing

56662. (a) If a proposal for an annexation, a detachment, or a reorganization consisting solely of annexations or detachments, or both, or formation of a county service area meets all of the following criteria, the commission may make determinations upon the proposal without notice and hearing and may waive protest proceedings entirely pursuant to Part 4 (commencing with Section 57000):

(1) The territory is uninhabited.

(2) An affected local agency has not submitted a written demand for notice and hearing during the 10-day period as described in subdivision (c).

(3) The proposal meets either of the following criteria:

(A) The petition accompanying the proposal is signed by all of the owners of land within the affected territory.

(B) The proposal is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory have given their written consent to the proposal.

(b) Except for the determinations authorized to be made by subdivision (a), the commission shall not make any determinations upon any proposal, plan of reorganization, or report and recommendation of a reorganization committee until after public hearing by the commission on that proposal, plan of reorganization, or report and recommendation of a reorganization committee.

(c) The commission shall not take any action on the petition or resolution of application for 10 days following the mailed notice required under subdivision (b) of Section 56658. Upon written demand by an affected local agency, filed with the executive officer during that 10-day period, the commission shall make determinations upon the petition or resolution of application only after notice and hearing on the petition or resolution of application.

(d) If a proposal for an annexation, a detachment, or a reorganization consisting solely of annexations or detachments, or both, or formation of a county service area meets all of the following criteria, the commission may make determinations upon the proposal and waive protest proceedings entirely pursuant to Part 4 (commencing with Section 57000):

(1) The territory is uninhabited.

(2) The proposal is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory, exclusive of land owned by a private railroad company, have given their written consent to the proposal and a private railroad company that is an owner of land within the affected territory has not submitted written opposition to the waiver of protest proceedings prior to the conclusion of the commission hearing.

(3) A subject agency has not submitted written opposition to a waiver of protest proceedings.

56663. [Repealed by Stats. 2012, Ch. 62]

Waiver of protest proceedings

56663. For a change of organization consisting of an annexation or a detachment, or a reorganization consisting solely of annexations or detachments, or both, or the formation of a county service area

that would otherwise require the conduct of protest proceedings after commission approval pursuant to subdivision (d) of Section 56881, the commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) if all of the following have occurred:

(a) The mailed notice pursuant to Section 56157 has been given to landowners and registered voters within the affected territory.

(b) The mailed notice discloses to the registered voters and landowners that unless written opposition to the proposal is received before the conclusion of the commission proceedings on the proposal, the commission intends to waive protest proceedings. The notice shall disclose that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory.

(c) Written opposition to the proposal from landowners or registered voters within the affected territory is not received before the conclusion of the commission proceedings on the proposal.

Voluntary notice and hearing

56664. Where the commission desires to provide for notice and hearing prior to making a determination on a matter which the commission is authorized, but not required, to determine without notice and hearing, the commission shall order a public hearing on that matter and set a date, time, and place for the hearing. The date of hearing shall not be more than 90 days after the date of the order.

Executive officer's report; to whom furnished

56665. The executive officer shall review each application which is filed with the executive officer and shall prepare a report, including his or her recommendations, on the application. The report shall be completed not less than five days prior to the date specified in the notice of hearing. Upon completion, the executive officer shall furnish copies of the report to each of the following:

(a) The officers or persons designated in the application.

(b) Each local agency whose boundaries or sphere of influence would be changed by the proposal or recommendation.

(c) Each affected local agency which has filed a request for a report with the executive officer.

(d) The executive officer of another affected county when a district is or will be located in that other county.

(e) Each affected city.

Commission hearing

56666. (a) The hearing shall be held by the commission upon the date and at the time and place specified. The hearing may be continued from time to time but not to exceed 70 days from the date specified in the original notice.

(b) At the hearing, the commission shall hear and receive any oral or written protests, objections, or evidence that shall be made,

presented, or filed, and consider the report of the executive officer and the plan for providing services to the territory prepared pursuant to Section 56653.

(c) Prior to any continuance of a hearing pursuant to this section regarding a proposal that includes an incorporation, the chief petitioners shall have an opportunity to address the commission on any potential impacts or hardships on the incorporation effort that may result from a delay. The commission shall consider the potential impacts on the incorporation proponents prior to making a decision on the duration of any continuance.

**Executive officer's report;
revenue loss for land owned by
city or county**

56667. If the report filed pursuant to Section 56665 indicates that more than 50 percent of the land proposed for incorporation is owned by or dedicated to the use of a city or county and that the proposed incorporation would result in a revenue loss to that city or county, and at the hearing held pursuant to Section 56666 the board of supervisors of the county or city council of the city presents a resolution objecting to the incorporation, no further proceedings shall be conducted by the commission and no new proposal involving incorporation of substantially the same territory shall be initiated for one year.

In the absence of a resolution of objection from a city or county, the commission may approve the proposal only if it imposes as a condition thereto that the newly incorporated city may not adopt any regulation or policy which would have a negative fiscal impact on any contract existing at the time of the incorporation which is related to the publicly owned land.

This section shall not preclude the completion of proceedings to incorporate territory which is the subject of incorporation proceedings filed with the executive officer of the commission prior to February 15, 1986.

**Factors to be considered in
review of proposal**

56668. Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

(a) Population and population density; land area and land use; assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; and the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

(b)(1) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; and probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

(2)"Services," as used in this subdivision, refers to governmental

services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.

(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

(g) A regional transportation plan adopted pursuant to Section 65080

(h) The proposal's consistency with city or county general and specific plans.

(i) The sphere of influence of any local agency that may be applicable to the proposal being reviewed.

(j) The comments of any affected local agency or other public agency.

(k) The ability of the newly formed or receiving entity to provide the services that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

(n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.

(o) Any information relating to existing land use designations.

(p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular

populations or communities.

(q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

District annexation; factors to consider and adoption of resolution

56668.3. (a) If the proposed change of organization or reorganization includes a city detachment or district annexation, except a special reorganization, and the proceeding has not been terminated based upon receipt of a resolution requesting termination pursuant to either Section 56751 or Section 56857, factors to be considered by the commission shall include all of the following:

(1) In the case of district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

(2) In the case of a city detachment, whether the proposed detachment will be for the interest of the landowners or present or future inhabitants within the city and within the territory proposed to be detached from the city.

(3) Any factors which may be considered by the commission as provided in Section 56668.

(4) Any resolution raising objections to the action that may be filed by an affected agency.

(5) Any other matters which the commission deems material.

(b) The commission shall give great weight to any resolution raising objections to the action that is filed by a city or a district. The commission's consideration shall be based only on financial or service related concerns expressed in the protest. Except for findings regarding the value of written protests, the commission is not required to make any express findings concerning any of the other factors considered by the commission.

Consideration of regional growth goals and policies

56668.5. The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis. This section does not grant any new powers or authority to the commission or any other body to establish regional growth goals and policies independent of the powers granted by other laws.

CHAPTER 2. FORM, FILING, AND CERTIFICATION OF PETITION

Proposal by petition; petition contents

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

- (1) State that the proposal is made pursuant to this part.
- (2) State the nature of the proposal and list all proposed changes of organization.
- (3) Set forth a description of the boundaries of affected territory accompanied by a map showing the boundaries.
- (4) Set forth any proposed terms and conditions.
- (5) State the reason or reasons for the proposal.
- (6) State whether the petition is signed by registered voters or owners of land.
- (7) Designate up to three persons as chief petitioners, setting forth their names and mailing addresses.
- (8) Request that proceedings be taken for the proposal pursuant to this part.
- (9) State whether the proposal is consistent with the sphere of influence of any affected city or affected district.

Consolidation of special districts not formed pursuant to the same principal act; petition contents

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

- (1) Designate the district that shall be the successor and specify under which principal act the successor shall conduct itself.
- (2) State that the proposal requires the formation of a new district and includes a plan for services prepared pursuant to Section 56653.

Disclosure of expenditures and contributions

56700.1. Expenditures for political purposes related to a proposal for a change of organization or reorganization that will be submitted to a commission pursuant to this part, and, contributions in support of or in opposition to those proposals, shall be disclosed and reported pursuant to Section 56100.1.

Notice of intent to circulate petition

56700.4. (a) Before circulating any petition for change of organization, the proponent shall file with the executive officer a notice of intention that shall include the name and mailing address of the proponent and a written statement, not to exceed 500 words in length, setting forth the reasons for the proposal. The notice shall be signed by a representative of the proponent, and shall be in substantially the following form:

Form of notice

Notice of Intent to Circulate Petition

Notice is hereby given of the intention to circulate a petition proposing to _____.

The reasons for the proposal are:

(b) After the filing required pursuant to subdivision (a), the petition may be circulated for signatures.

(c) Upon receiving the notice, the executive officer shall notify affected local agencies.

(d) The notice requirements of this section shall apply in addition to any other applicable notice requirements.

(e) This section shall not apply to any petition signed by landowners if all parcels within the affected territory are vested under the same ownership.

Petition and all counterparts filed at the same time

56703. A petition may consist of a single instrument or separate counterparts. All petitions shall be filed with the executive officer. All counterparts of a petition or of any supplemental petition, shall be filed at the same time.

Petition signature and date

56704. (a) Each person signing a petition shall, at the time he or she signs the petition, affix after his or her signature the date upon which he or she signs the petition.

Registered signature and date

(b) If a petition is signed by registered voters, each person signing the petition shall, in addition to his or her signature, affix the date upon which he or she signs the petition and indicate on the petition his or her place of residence, giving street and number or other designation sufficient to enable the place of residence to be readily ascertained.

Landowner petition

(c) If a petition is signed by owners of land, each person signing the petition shall, in addition to the signature and the date on which he or she signs the petition, include a written description sufficient to identify the location of the land owned by each person signing the petition.

Signatures; time limits

56705. (a) Except as otherwise provided in subdivision (b), no petition shall be accepted for filing unless the signatures on the petition are secured within six months of the date on which the first signature on the petition was affixed and the petition is submitted to the executive officer for filing within 60 days after the last signature is affixed. If the elapsed time between the date on which the last signature is affixed and the date on which the petition is submitted for filing is more than 60 days, the executive officer shall file the petition in accordance with Section 56709.

Special time limits

(b) (1) Notwithstanding subdivision (a), in cities with a population of more than 100,000 residents that are located in a county with a population of over 4,000,000, no petition shall be accepted for filing unless the signatures thereon have been secured

within 90 days of the publication of the notice required pursuant to Section 56760 and the petition is submitted to the executive officer for filing within 60 days after the last signature is affixed. If the elapsed time between the date on which the last signature is affixed and the date on which the petition is submitted for filing is more than 60 days, the executive officer shall file the petition in accordance with Section 56709.

(2) This subdivision shall not apply to a petition for a special reorganization, as defined in Section 56075.5. Subdivision (a) shall apply to a special reorganization, as defined in Section 56075.5, regardless of the number of residents in the city or county in which signatures have been secured on the petition. This paragraph is declaratory of existing law.

Certificate of sufficiency

56706. (a) Within 30 days, excluding Saturdays, Sundays, and holidays, after the date of receiving a petition, the executive officer shall cause the petition to be examined by, in the case of a registered voter petition, the county elections official, in accordance with Sections 9113 to 9115, inclusive, of the Elections Code, or in the case of a landowner petition, the county assessor, and shall prepare a certificate of sufficiency indicating whether the petition is signed by the requisite number of signers.

Notice of insufficiency

(b) (1) Except as provided in paragraph (2), if the certificate of the executive officer shows the petition to be insufficient, the executive officer shall immediately give notice by certified mail of the insufficiency to the proponents, if any. That mailed notice shall state in what amount the petition is insufficient. Within 15 days after the date of the notice of insufficiency, a supplemental petition bearing additional signatures may be filed with the executive officer.

(2) Notwithstanding paragraph (1), the proponents of the petition may, at their option, collect signatures for an additional 15 days immediately following the statutory period allowed for collecting signatures without waiting for notice of insufficiency. Any proponent choosing to exercise this option may not file a supplemental petition as provided in paragraph (1).

Supplemental petition

(c) Within 10 days after the date of filing a supplemental petition, the executive officer shall examine the supplemental petition and certify in writing the results of his or her examination.

**Certificate of sufficiency;
contents**

(d) A certificate of sufficiency shall be signed by the executive officer and dated. That certificate shall also state the minimum signature requirements for a sufficient petition and show the results of the executive officer's examination. The executive officer shall mail a copy of the certificate of sufficiency to the proponents, if any.

Validation of signatures;

56707. If a petition is signed by registered voters, the executive

registered voter petition

officer shall cause the names of the signers on the petition to be compared with the voters' register in the office of the county clerk or registrar of voters and ascertain both of the following:

- (a) The number of registered voters in the affected territory.
- (b) The number of qualified signers appearing upon the petition.

**Validation of signatures;
landowner petition; most recent
equalized assessment roll**

56708. If a petition is signed by owners of land, the executive officer shall cause the names of the signers on the petition to be compared with the names of the persons shown as owners of land on the most recent assessment roll being prepared by the county at the time the proponent adopts a resolution of application pursuant to Section 56654 or files a notice of intention to circulate a petition with the executive officer pursuant to subdivision (a) of Section 56700.4 and ascertain, to the extent possible, both of the following:

- (a) The total number of landowners within the territory and the total assessed valuation of all land within the affected territory.
- (b) The total number of landowners represented by qualified signers and the total assessed valuation of land owned by qualified signers.

**Insufficient petition filed as
public record; notice**

56709. If the petition, including any supplemental petition, is certified to be insufficient, it shall be filed with the executive officer as a public record, without prejudice to the filing of a new petition. The executive officer shall give mailed notice to the chief petitioners, if any, stating that the petition has been found to be insufficient.

Assessed value

56710. For purposes of evaluating the sufficiency of any petition signed by owners of land:

(a) The assessed value to be given land exempt from taxation or owned by a public agency shall be determined by the county assessor, at the request of the executive officer, in the same amount as the county assessor would assess that land, if the land were not exempt from taxation or owned by a public agency.

Joint tenancy

(b) The value given land held in joint tenancy or tenancy in common shall be determined in proportion to the proportionate interest of the petitioner in that land.

(c) The executive officer shall disregard the signature of any person not shown as owner on the most recent assessment roll being prepared by the county at the time the proponent adopts a resolution of application pursuant to Section 56654 or files a notice of intention to circulate a petition with the executive officer pursuant to subdivision (a) of Section 56700.4, unless prior to certification the executive officer is furnished with written evidence, satisfactory to the executive officer, that the signer meets any of the following requirements:

- (1) Is a legal representative of the owner.
- (2) Is entitled to be shown as owner of land on the next assessment roll.
- (3) Is a purchaser of land under a recorded written agreement of sale.
- (4) Is authorized to sign for, and on behalf of, any public agency owning land.

Signature for federal agency land **56711.** Any public or federal agency owning land within the territory which is the subject of the proposed change of organization or reorganization shall be deemed a landowner for the purpose of the signing and certification of a petition for the change of organization or reorganization. That agency may authorize the petition to be signed for the agency, and on behalf of the agency, by any duly authorized officer or employee.

CHAPTER 3. PROCEEDINGS FOR CITIES

Article 1. Incorporation

Necessary findings; proposed incorporation **56720.** The commission shall not approve or conditionally approve any proposal that includes an incorporation, unless the commission finds, based on the entire record, that:

- (a) The proposed incorporation is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001, 56300, 56301, and 56377.
- (b) It has reviewed the spheres of influence of the affected local agencies and the incorporation is consistent with those spheres of influence.
- (c) It has reviewed the comprehensive fiscal analysis prepared pursuant to Section 56800 and the Controller's report prepared pursuant to Section 56801.
- (d) It has reviewed the executive officer's report and recommendation prepared pursuant to Section 56665, and the testimony presented at its public hearing.
- (e) The proposed city is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.

Proposed name for new or consolidated city **56722.** If a petition is for incorporation of a new city, or consolidation of cities, the petition may propose a name for the new or consolidated city.
 The proposed name for the new or consolidated city may contain the word "town."

Petition; provision for **56723.** If the petition is for incorporation, it may also include

appointment of city manager and elective city officials provisions for appointment of a city manager and appointment of elective city officials, except city council members.

Election of city officers **56724.** (a) If the commission approves a proposal that includes the incorporation of a city, the resolution making determinations shall, upon the incorporation applicant's request, specify that the first election of city officers is to be held after voter approval of the proposal.
(b) If the applicant has submitted an application to the commission prior to the effective date of this section, the applicant may request that the election of city officers be held after the vote on the incorporation proposal.
(c) If the election of city officers is to be conducted after the vote on the incorporation proposal, the commission shall not set the effective date to be sooner than the election date of the city officers.

Article 2. Special Reorganization

Special reorganization proceedings **56730.** Proceedings for a special reorganization shall be conducted in accordance with the procedures otherwise prescribed for incorporation of a city, including, but not limited to, the provisions specified in Sections 56720, 56800, 56810, and 56815. Notwithstanding any other provision of this division, an election, if required, shall be conducted in accordance with Sections 57119 and 57132.5.

Special reorganization; incorporation of city with population of 1,000,000 or more **56732.** If the commission approves a proposal for a special reorganization that includes the incorporation of a city with a population of more than 1,000,000, the commission shall do both of the following:
(a) Specify in the resolution making determinations that, notwithstanding Section 36501, the legislative body of the city shall consist of an even number of members, with at least 12 elected by districts, as defined in Section 34871. The commission shall establish the initial boundaries of a sufficient number of districts of approximately equal populations, consistent with state and federal law, not to exceed more than 100,000 residents per district.
(b) Specify in the resolution that the mayor, who shall be a voting member of the council, shall be elected on a citywide basis.

Special reorganization **56734.** (a) This section shall only apply to a special reorganization.
(b) All public employees to which Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 applies shall continue to be deemed public employees of the original local agency or of the

Public employees

newly incorporated local agency for all the purposes of that chapter, including, but not limited to, the continuation and application of any collective bargaining agreement that applies to these employees, and all representational and collective bargaining rights under that chapter.

Collective bargaining agreements

(c) Any existing collective bargaining agreement shall remain in effect and be fully binding on the original local agency or on the newly incorporated local agency, and on the employee organizations that are parties to the agreement for the balance of the term of the agreement, and until a subsequent agreement has been established.

Retiree benefits

(d) Any existing retiree benefits, including, but not limited to, health, dental, and vision care benefits, shall not be diminished.

(e) Notwithstanding any other provision of law, an employee organization that has been recognized as the exclusive representative of local agency public employees affected by a special reorganization shall retain exclusive representation of the unit employees of the original local agency, or of the newly incorporated local agency.

Article 3. Annexation and Other Changes of Organization

Election may be required where assessed value of land or number of voters in annexing territory is equal to or greater than half of city's assessed value or voters

56737. When a change of organization or a reorganization includes the annexation of inhabited territory to a city and the assessed value of land within the territory equals one-half or more of the assessed value of land within the city, or the number of registered voters residing within the territory equals one-half or more of the number of registered voters residing within the city, the commission may determine as a condition of the proposal that the change of organization or reorganization shall also be subject to confirmation by the voters in an election to be called, held, and conducted within the territory of the city to which annexation is proposed.

Annexation to a city; succession to Williamson Act contracts

56738. If the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), then the petition shall state whether the city shall succeed to the contract pursuant to Section 51243 or whether the city intends to exercise its option to not succeed to the contract pursuant to Section 51243.5.

Tidelands or submerged lands owned by state; procedures

56740. (a) No tidelands or submerged lands, as defined in subdivision (g), which are owned by the state or by its grantees in trust shall be incorporated into, or annexed to, a city, except lands which may be approved by the State Lands Commission.

Filed with State Lands

(b) If those tidelands or submerged lands are included within the

Commission

boundaries of any territory proposed to be incorporated into, or annexed to, a city, a description of the boundaries, together with a map showing the boundaries, shall be filed with the State Lands Commission by the proponents of the incorporation or annexation. The filing with the State Lands Commission shall be made prior to the executive officer issuing a certificate of filing for the proposal.

(c) The State Lands Commission shall approve or disapprove all portions of the boundaries located upon the tidelands or submerged lands. In making that determination, it shall, where feasible and appropriate, require any extensions of land boundaries of the city or proposed city to be at right angles to the general direction of the shoreline at each point of intersection of the shoreline with the land boundaries of the city or proposed city. However, in the interest of ensuring an orderly and equitable pattern of offshore boundaries, the State Lands Commission may establish angles and other courses for each offshore boundary it deems necessary considering any irregularity of the shoreline, other geographical features, the effect of incorporation or annexation of the offshore or submerged lands on the uplands of the city, or proposed city, and adjoining territory, and the existing and potential boundaries of other cities and of unincorporated communities.

State Lands Commission determination

(d) Within 45 days after the filing of the boundary description and map with the State Lands Commission, the State Lands Commission shall make a determination of the proper offshore or submerged lands boundaries. That determination shall be final and conclusive. If the State Lands Commission does not make the determination within that time, the proposed offshore or submerged lands boundaries shall be deemed approved.

(e) The State Lands Commission shall report its determination to the executive officer and to each affected city, affected county, affected district, or person, if any, that has filed the boundary description and map. Thereafter, filings and action may be taken pursuant to this part.

(f) The local agency formation commission may review and make determinations as to all portions of the boundaries, other than those offshore or submerged lands boundaries.

(g) "Submerged lands," as used in this section, includes, but is not limited to, lands underlying navigable waters which are in sovereign ownership of the state whether or not those waters are subject to tidal influences.

City annexations in same county and contiguous

56741. Territory may not be annexed to a city unless it is located in the same county. Unless otherwise provided in this division, territory may not be annexed to a city unless it is contiguous to the city at the time the proposal is initiated pursuant to this part. Territory incorporated as a city shall be located within one county

and, except as otherwise provided in Section 56742, shall be contiguous with all other territory being incorporated as a city.

City annexations of noncontiguous territory

56742. (a) Notwithstanding Section 56741, upon approval of the commission a city may annex noncontiguous territory not exceeding 300 acres if the territory meets all of the following requirements:

(1) It is located in the same county as that in which the city is situated.

(2) It is owned by the city.

(3) It is used for municipal purposes at the time commission proceedings are initiated.

(b) Territory which is used by a city for the reclamation, disposal, and storage of treated wastewater may be annexed to the city pursuant to this section without limitation as to the size of the territory.

(c) If territory is annexed pursuant to this section, the annexing city may not annex any territory not owned by the city, not used for municipal purposes, and not contiguous to the city, although the territory is contiguous to the territory annexed pursuant to this section.

(d) Notwithstanding any other provision of this section, a city which annexes territory pursuant to this section may annex additional territory in the same county as that in which the city is situated which is owned by the United States government or the State of California and which is contiguous to the first annexed territory if the total acreage of the first annexed and the subsequently annexed territory together does not exceed 300 acres in area. If after the completion of the subsequent annexation, the city sells any or all of the first annexed territory, the subsequently annexed territory shall cease to be part of the city if the subsequently annexed territory is no longer contiguous to territory owned by the city.

(e) When any or all of the territory annexed to a city pursuant to this section is sold by the city, all of the territory that is no longer owned by the city shall cease to be a part of that city.

(f) A city may lease territory annexed pursuant to this section for any of the purposes authorized pursuant to Sections 37380 to 37396, inclusive, as well as enter into leases for the construction and operation of electrical generation, transmission, and distribution. If, however, a city enters into a lease on and after April 24, 2002, pursuant to Section 37395, 37396, or any other provision of law, that would authorize the development of a shopping center, hotel, motel, or lodging house on territory annexed pursuant to this section, the affected territory shall cease to be a part of the city.

(g) When territory ceases to be part of a city pursuant to this

section, the legislative body of the city shall adopt a resolution confirming the detachment. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make any filing required by Chapter 8 (commencing with Section 57200) of Part 4.

(h) If territory annexed to a city pursuant to this section becomes contiguous to the city, the limitations imposed by this section shall cease to apply.

Annexation of state correctional facilities

56742.5. (a) Notwithstanding Section 56741, upon approval of the commission any city may annex noncontiguous territory which constitutes a state correctional facility or a state correctional training facility. If, after the completion of the annexation, the State of California sells that territory or any part thereof, all of the territory which is no longer owned by the state shall cease to be a part of the city which annexed the territory.

(b) If territory is annexed pursuant to this section, the city may not annex any territory not owned by the State of California and not contiguous to the city although that territory is contiguous to the territory annexed pursuant to this section.

(c) When territory ceases to be part of the city pursuant to this section, the legislative body of the city shall adopt a resolution confirming the detachment of that territory from the city. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make any filing provided for by Chapter 8 (commencing with Section 57200) of Part 4 of Division 3.

(d) If territory annexed pursuant to this section becomes contiguous to the city, the limitations imposed by this section shall cease to apply.

(e) A city may enter into an agreement with any other city under which the city apportions any increase in state subventions resulting from the annexation of territory pursuant to this section.

Cities of Willits and Arcata; annexation of noncontiguous

56743. (a) Notwithstanding Section 56741, upon approval of the commission a city may annex noncontiguous territory not exceeding 3,100 acres in area, which is located in the same county as that in which the city is situated, and which is owned by the city and is being used for municipal water purposes, wildlife habitat, or sustainable forestry that is subject to an adopted city forest management plan at the time preliminary proceedings are initiated pursuant to this part. If, after the completion of the annexation, the city sells that territory or any part thereof, all of that territory that is no longer owned by the city shall cease to be a part of the city.

(b) If territory is annexed pursuant to this section, the annexing

city may not annex any territory not owned by it and not contiguous to it although that territory is contiguous to the territory annexed pursuant to this section.

(c) When territory ceases to be part of a city pursuant to this section, the legislative body of the city shall adopt a resolution confirming the detachment of that territory from the city. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make any filing provided for by Chapter 8 (commencing with Section 57200) of Part 4.

(d) If territory annexed to a city pursuant to this section becomes contiguous to the city, the limitations imposed by this section shall cease to apply.

(e) If territory is annexed pursuant to this section, it shall be used only for municipal water purposes, wildlife habitat, or sustainable forestry that is subject to an adopted city forest management plan. The city may, however, enter into agreements to lease the land for timber production or grazing by animals. If the territory is used by the city for any other purpose at any time, it shall cease to be a part of the city.

(f) This section applies only to the City of Willits and the City of Arcata.

Islands not allowed from annexations or incorporations

56744. Unless otherwise determined by the commission pursuant to subdivision (m) of Section 56375, territory shall not be incorporated into, or annexed to, a city pursuant to this division if, as a result of that incorporation or annexation, unincorporated territory is completely surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides.

Annexations to City of Cupertino

56747. **[Repealed by Stats. 2021, Ch. 31]**

Annexations to City of Merced

56748. (a) As used in this section:

(1) "Affected territory" means the main campus of the University of California, Merced and a road strip proposed for annexation to the City of Merced.

(2) "Main campus of the University of California, Merced" means the area within the boundaries of the campus of the University of California, Merced, as described in the University of California, Merced 2020 Long-Range Development Plan dated March 2020, and comprising of no more than 1,026 acres.

(3) "Road strip" means the street, highway, or road that connects the territory of the property to be annexed to the annexing city.

(b) Notwithstanding Section 56741, unincorporated territory consisting of property comprising the main campus of the

University of California, Merced, together with the road strip, may be annexed to a city pursuant to this division, upon approval of the commission, if the following conditions are met:

(1) The affected territory is within the sphere of influence of the annexing city, as adopted by the commission.

(2) The affected territory lies within an unincorporated area within the County of Merced.

(c) The commission shall not approve any subsequent annexation to the road strip unless the territory proposed to be annexed is contiguous to the property comprising the main campus of the University of California, Merced or the boundaries of the City of Merced as it existed on January 1, 2021.

(d) This section applies only to the City of Merced.

**Farmland security zones;
landowner petitions**

56749. (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a city of territory that is within a farmland security zone created pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Division 1 if that city provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads, unless the facilities or services provided by the city benefit land uses that are allowed under a farmland security zone contract and the landowner consents to the change of organization or reorganization. However, this subdivision shall not apply under any of the following circumstances:

(1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services.

(2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in subdivision (f) or (g) of Section 51296.

(3) If the landowner consents to the annexation.

(b) This section shall not apply during the three-year period preceding the termination of a farmland security zone contract under Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1.

**Farmland security zones;
improper disapproval**

56750. Notwithstanding Sections 56300 and 56301, the commission shall not disapprove a change of organization or reorganization where the reason for disapproval is that the farmland security zone is excluded from the affected territory.

City detachment pre-hearing

56751. (a) Upon receipt by the commission of a proposed change of organization or reorganization, except a special reorganization, that includes the detachment of territory from any city, the

executive officer shall place the proposal on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the proposal to any city from which the detachment of territory is requested.

(b) No later than 60 days after the date that the proposal is on the commission's meeting agenda in accordance with subdivision (a), a city from which the detachment of territory is proposed may adopt and transmit to the commission a resolution requesting termination of the proceedings.

Termination

(c) If the city from which the detachment of territory is proposed has adopted and transmitted to the commission a resolution requesting termination of proceedings within the time period prescribed by this section, then the commission shall terminate the proceedings upon receipt of the resolution from the city.

(d) This section shall not apply if the city from which the detachment of territory is proposed has adopted and transmitted to the commission a resolution supporting the proposed change of organization or reorganization.

Annexation to a city; succession to Williamson Act contracts

56752. If the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), then the resolution shall state whether the city shall succeed to the contract pursuant to Section 51243 or whether the city intends to exercise its option to not succeed to the contract pursuant to Section 51243.5.

City annexation of land subject to Williamson Act; notice to Director of Conservation

56753. The executive officer shall give mailed notice of any hearing by the commission, as provided in Sections 56155 to 56157, inclusive, by mailing notice of the hearing to the Director of Conservation if the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1).

City annexation of land subject to Williamson Act; notice to Director of Conservation; requirements

56753.5. Within 10 days after receiving a proposal that would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), the executive officer shall notify the Director of Conservation of the proposal. The notice shall include the contract number, the date of the contract's execution, and a copy of any protest that the city had filed pursuant to Section 51243.5.

Annexation to a city; succession of Williamson Act contracts

56754. If a change of organization or reorganization would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing

with Section 51200) of Division 1), the commission, based on substantial evidence in the record, shall determine one of the following:

(a) That the city shall succeed to the rights, duties, and powers of the county pursuant to Section 51243, or

(b) That the city may exercise its option to not succeed to the rights, duties, and powers of the county pursuant to Section 51243.5.

**Resolution of application;
hearing; island provisions only**

56755. Prior to submitting a resolution of application for the annexation of territory described in Section 56375.3 to the commission, the legislative body adopting the resolution shall conduct a public hearing on the resolution. Notice of the hearing shall be published pursuant to Sections 56153 and 56154. At the hearing, any landowner shall be given an opportunity to present his or her views on the resolution.

**Resolution of application filed
with executive officer**

56756. The clerk of the legislative body adopting a resolution of application shall file a certified copy of that resolution with the executive officer.

**Reorganization in Santa Clara
County; special provisions**

56757. (a) The commission shall not review an annexation or a reorganization proposal 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 annexation or reorganization proposal is initiated by resolution of the legislative body of the city.

(b) The city council shall be the conducting authority for the annexation or reorganization proposal and the proceedings for the annexation or reorganization proposal 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 annexation or reorganization proposal, 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 annexations or 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 annexation or 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.

56758. [Repealed by Ch. 68. Stats. 2008]

City annexation exceeding half of city; elections in both territory and city

56759. In any order approving a proposal subject to an election for an annexation or a reorganization that includes annexation of inhabited territory to a city when the assessed value of land within that territory proposed to be annexed equals one-half, or more, of that within the city, as shown by the last equalized assessment rolls, or the number of registered voters of the territory equals one-half, or more, of the number of registered voters within the city, as shown by the county register of voters, the commission shall require that an election called upon the question of confirming the annexation or reorganization shall also be called, held, and conducted within the territory of the city to which territory is proposed to be annexed.

Article 4. Initiation by Petition

Los Angeles County; notice of intent

56760. [Repealed by Stats. 2021, Ch. 31]

Incorporation; signatures

56764. A petition for the incorporation of a city shall be signed by

either of the following:

(a) Not less than 25 percent of the registered voters residing in the area to be incorporated, as determined by the commission pursuant to subdivision (f) of Section 56375.

(b) Not less than 25 percent of the number of owners of land within the territory proposed to be incorporated who also own not less than 25 percent of the assessed value of land within the territory proposed to be incorporated, as shown on the last equalized assessment roll of the county.

Disincorporation; signatures

56765. A petition for the disincorporation of a city shall be signed by not less than 25 percent of the registered voters residing in the city proposed to be disincorporated as shown on the county register of voters.

Consolidation of cities; signatures

56766. A petition for the consolidation of two or more cities shall be signed by not less than 5 percent of the registered voters of each affected city as shown on the county register of voters.

City annexation; signatures

56767. A petition for annexation of territory to a city shall be signed by either of the following:

(a) Not less than 5 percent of the number of registered voters residing within the territory proposed to be annexed as shown on the county register of voters.

(b) Not less than 5 percent of the number of owners of land within the territory proposed to be annexed who also own 5 percent of the assessed value of land within the territory as shown on the last equalized assessment roll.

City detachment; signatures

56768. A petition for detachment of territory from a city shall be signed by either of the following:

(a) Not less than 25 percent of the registered voters residing within the territory proposed to be detached, as shown on the county register of voters.

(b) Not less than 25 percent of the number of owners of land within the territory proposed to be detached who also own 25 percent of the assessed value of land within the territory, as shown on the last equalized assessment roll.

Necessary findings; proposed disincorporation

56770. The commission shall not approve or conditionally approve any proposal that includes a disincorporation, unless, based on the entire record, the commission makes all of the following determinations:

(a) The proposed disincorporation is consistent with the intent of this division to provide for a sustainable system for the delivery of services.

(b) The commission has considered the service reviews of

municipal services and spheres of influence of the affected local agencies, and the disincorporation will address the necessary changes to those spheres of influence, if any.

(c) It has reviewed the comprehensive fiscal analysis prepared pursuant to Section 56804.

(d) It has reviewed the executive officer's report and recommendation prepared pursuant to Section 56665, and the oral or written testimony presented at its public hearing.

(e) The services responsibilities of the city proposed for disincorporation have been assigned through terms and conditions authorized by Sections 56885.5, 56886, and 57302, and Chapter 5 (commencing with Section 57400) of Part 5.

CHAPTER 4. FISCAL PROVISIONS

Article 1. Comprehensive Fiscal Analysis

Comprehensive fiscal analysis; incorporation

56800. For any proposal that includes an incorporation, the executive officer shall prepare, or cause to be prepared by contract, a comprehensive fiscal analysis. This analysis shall become part of the report required pursuant to Section 56665. Data used for the analysis shall be from the most recent fiscal year for which data are available, preceding the issuances of the certificate of filing. When data requested by the executive officer in the notice to affected agencies are unavailable, the analysis shall document the source and methodology of the data used. The analysis shall review and document each of the following:

(a) The costs to the proposed city of providing public services and facilities during the three fiscal years following incorporation in accordance with the following criteria:

(1) When determining costs, the executive officer shall include all direct and indirect costs associated with the current provision of existing services in the affected territory. These costs shall reflect the actual or estimated costs at which the existing level of service could be contracted by the proposed city following an incorporation, if the city elects to do so, and shall include any general fund expenditures used to support or subsidize a fee-supported service where the full costs of providing the service are not fully recovered through fees. The executive officer shall also identify which of these costs shall be transferred to the new city that result in an administrative cost reduction to other agencies. In the analysis, the executive officer shall also review how the costs of any existing services compare to the costs of services provided in cities with similar populations and similar geographic size that provide a similar level and range of services and shall make a reasonable determination of the costs expected to be borne by the newly incorporated city.

(2) When determining costs, the executive officer shall also include all direct and indirect costs of any public services that are proposed to be assumed by the new city and that are provided by state agencies in the area proposed to be incorporated.

(b) The revenues of the proposed city during the three fiscal years following incorporation.

(c) The effects on the costs and revenues of any affected local agency during the three fiscal years of incorporation.

(d) Any other information and analysis needed to make the findings required by Section 56720.

Review of comprehensive fiscal analysis by Controller; requests

56801. (a) For any proposal that includes an incorporation, the executive officer shall, at the request of an interested party, which request is submitted pursuant to subdivision (b), and prior to issuing his or her report and recommendation pursuant to Section 56665, request the Controller to review the comprehensive fiscal analysis prepared pursuant to Section 56800. The request by an interested party shall specify in writing any element of the comprehensive fiscal analysis that the Controller is requested to review and the reasons the Controller is requested to review each element.

(b) The commission may adopt written procedures for the acceptance, referral, and payment for a request for the Controller's review, which shall include setting a time period during which an interested party is permitted to submit a request pursuant to subdivision (a). The time period for accepting a request shall not be less than 30 days following notice given in the same manner as specified in Section 56153.

(c) Within 45 days of receiving the analysis, the Controller shall issue a report to the executive officer regarding the accuracy and reliability of the information, methodologies, and documentation used in the analysis. The times within which the executive officer or commission is required to act pursuant to this chapter shall be tolled for the time required by the Controller for completion of the report. The executive officer shall include the results of the Controller's report into his or her own report and recommendation issued pursuant to Section 56665.

Cost of Controller's review

(d) Notwithstanding Sections 56378 and 56386, the Controller may charge the commission for the actual costs incurred pursuant to this section. The commission may recover these costs by charging the person who requested the Controller's review.

Funds for incorporation within Mountain House Community Services District

56802. (a) For any proposal for incorporation of the territory within the Mountain House Community Services District, San Joaquin County shall provide the required funds to those petitioners filing the incorporation application for all costs involved in filing the application for incorporation pursuant to this

division, including the preparation of the comprehensive fiscal analysis pursuant to Section 56800.

(b) The funds provided by the county pursuant to this section shall not be construed to be a gift of public funds and may only be granted to a quasi-public or nonprofit organization formed for the purpose of pursuing incorporation of the Mountain House area.

(c) San Joaquin County shall provide the funds required in subdivision (a) only one time, upon the first filing of application for incorporation.

Acceptance or rejection of incorporation findings; executive officer report; fiscal analysis

56803. If the commission approves a proposal which includes the incorporation of a city, the resolution making determinations shall accept or reject each of the findings and recommendations made in the executive officer's report prepared pursuant to Section 56665, and the fiscal analysis prepared pursuant to Section 56800. If the commission rejects a finding or recommendation, the resolution making determinations shall include findings by the commission which present the basis for any rejection.

Comprehensive fiscal analysis, disincorporation

56804. For any proposal that includes a disincorporation, the executive officer shall prepare, or cause to be prepared by contract, a comprehensive fiscal analysis. This analysis shall become part of the report required pursuant to Section 56665. Data used for the analysis shall be from the most recent fiscal year for which data is available, preceding the issuances of the certificate of filing. When data requested by the executive officer in the notice to affected agencies, pursuant to paragraph (2) of subdivision (b) of Section 56658, is unavailable, the analysis shall document the source and methodology of the data used. The analysis shall review and document each of the following:

Contents

(a) The direct and indirect costs incurred by the city proposed for disincorporation for providing public services during the three fiscal years immediately preceding the submittal of the proposal for disincorporation.

(b) The direct and indirect costs incurred by the city proposed for disincorporation for current and proposed capital improvements, facilities, assets, and infrastructure.

(c) The sources of funding, if any, available to the entities proposed to assume the obligations of the city proposed for disincorporation.

(d) The anticipated costs, including all direct and indirect costs, to the entities proposed to assume the obligations of the city proposed for disincorporation in the provision of services to the area proposed for disincorporation.

(e) When determining costs, the executive officer shall also include all direct and indirect costs of any public services that are proposed to be transferred to state agencies for delivery.

(f) The revenues of the city proposed for disincorporation during the three fiscal years immediately preceding the initiation of the disincorporation proposal.

(g) All current and long-term liabilities, including, but not limited to, debt obligations, of the city proposed for disincorporation, including the balance of the restricted and unrestricted funds available to extinguish the obligations and liabilities.

(h) The potential financing mechanism or mechanisms to address any shortfalls and obligations for those responsibilities identified in this section, including, but not limited to, taxes or assessments.

(i) Any other information and analysis needed to make the findings required by Section 56770.

Article 2. Property Tax Exchange

Property tax exchange for incorporation or formation

56810. (a) (1) If the proposal includes the incorporation of a city, as defined in Section 56043, the commission shall determine the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section and Section 56815.

Commission determination

(2) If the proposal includes the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the amount of property tax to be exchanged by the affected local agency pursuant to this section.

(b) The commission shall notify the county auditor of the proposal and the services which the new jurisdiction proposes to assume within the area, and identify for the auditor the existing service providers within the area subject to the proposal.

(c) If the proposal would not transfer all of an affected agency's service responsibilities to the proposed city or district, the commission and the county auditor shall do all of the following:

Auditor's determination

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by each affected local agency pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by each affected local agency in the prior fiscal year. For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" means the total amount of revenue which an affected local agency may use on a discretionary basis for any purpose and does not include any of the following:

(A) Revenue which, by statute, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments which are levied to specifically offset the cost of particular services and do not exceed the cost reasonably borne in providing these services.

(C) Revenue received from the federal government which is

Commission determination of total net cost; definition

required to be used for a specific purpose.

(2) The commission shall determine, based on information submitted by each affected local agency, an amount equal to the total net cost to each affected local agency during the prior fiscal year of providing those services which the new jurisdiction will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs that were funded by general purpose revenues of the affected local agency and excludes any portion of the total cost that was funded by any revenues of that agency that are specified in subparagraphs (A), (B), and (C) of paragraph (1).

Calculation

(3) The commission shall multiply the amount determined pursuant to paragraph (2) for each affected local agency by the corresponding proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by each affected local agency during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount described in the previous sentence by the annual tax increment according to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the new city or district receives its initial allocation of property taxes.

Separate county fund(s)

(4) For purposes of this subdivision, in any county in which, prior to the adoption of Article XIII A of the California Constitution, and continuing thereafter, a separate fund or funds were established consisting of revenues derived from the unincorporated area of the county and from which fund or funds services rendered in the unincorporated area have been paid, the amount of property tax revenues derived pursuant to paragraph (3), may, at the discretion of the commission, be transferred to the proposed city over a period not to exceed 12 fiscal years following its incorporation. In determining whether the transfer of the amount of property tax revenues determined pursuant to paragraph (3) shall occur entirely within the fiscal year immediately following the incorporation of the proposed city or shall be phased in over a period not to exceed 12 full fiscal years following the incorporation, the commission shall consider each of the following:

(A) The total amount of revenue from all sources available to the proposed city.

(B) The fiscal impact of the proposed transfer on the transferring agency.

(C) Any other relevant facts which interested parties to the exchange may present to the commission in written form.

The decision of the commission shall be supported by written findings setting forth the basis for its decision.

Auditor's determination

(d) If the proposal would transfer all of an affected agency's

service responsibilities to the proposed city or district, the commission shall request the auditor to determine the property tax revenue generated for the affected service providers by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to paragraph (3) of subdivision (c) or subdivision (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to paragraph (4) of subdivision (c), at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the new jurisdiction.

(f) The amendments to this section enacted during the 1985-86 Regular Session of the Legislature shall apply to any proposal described in subdivision (a) for which a certificate of completion is recorded with the county recorder on or after January 1, 1987.

Prior fiscal year defined

(g) For purposes of this section, "prior fiscal year" means the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform the calculations required by this section are available preceding the issuance of the certificate of filing.

Action to contest

(h) An action brought by a city or district to contest any determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section shall be commenced within three years of the effective date of the city's incorporation or the district's formation. These actions may be brought by any city that incorporated or by any district that formed on or after January 1, 1986.

(i) This section applies to any city that incorporated or district that formed on or after January 1, 1986.

(j) The calculations and procedures specified in this section shall be made prior to and shall be incorporated into the calculations specified in Section 56815.

Determination of appropriations limit

56811. (a) If a proposal includes the formation of a new special district, the commission shall determine the appropriations limit of the district in accordance with Section 7902.7 and Article XIII B of the California Constitution. The commission shall determine the provisional appropriations limit of the district in the following manner:

(1) Estimate the amount of revenue anticipated to be received by the district from the proceeds of taxes for the first full fiscal year of operation.

(2) Adjust the amount determined in paragraph (1) for the

estimated change in the cost of living and population in the next full fiscal year of operation and any other changes that may be required or permitted by Article XIII B of the California Constitution.

(b) The governing body of the district shall determine the proposed permanent appropriations limit of the district to be submitted to the voters in the following manner:

(1) Determine the amount of revenue actually received by the district from the proceeds of taxes for the first full fiscal year of operation.

(2) Adjust the amount determined in paragraph (1) for the estimated change in the cost of living and population in the next full fiscal year of operation and any other changes that may be required or permitted by Article XIII B of the California Constitution.

(c) The permanent appropriations limit of the district shall be set at the first district election that is held following the first full fiscal year of operation and shall not be considered to be a change in the appropriations limit of the district pursuant to Section 4 of Article XIII B of the California Constitution.

**Incorporation of city;
determination of provision and
permanent appropriations limit**

56812. (a) If a proposal includes the incorporation of a city, the commission shall determine the provisional appropriations limit of the city in accordance with Section 7902.7 and Article XIII B of the California Constitution. The commission shall determine the provisional appropriations limit of the city in the following manner:

(1) Estimate the amount of revenue anticipated to be received by the city from the proceeds of taxes for the first full fiscal year of operation.

(2) Adjust the amount determined in paragraph (1) for the estimated change in the cost of living and population in the next full fiscal year of operation and such other changes as may be required or permitted by Article XIII B of the California Constitution.

(b) The governing body of the city shall determine the proposed permanent appropriations limit of the city to be submitted to the voters in the following manner

(1) Determine the amount of revenue actually received by the city from the proceeds of taxes for the first full fiscal year of operation.

(2) Adjust the amount determined in paragraph (1) for the estimated change in the cost of living and population in the next full fiscal year of operation and such other changes as may be required or permitted by Article XIII B of the California Constitution.

Permanent appropriations limit

(c) The permanent appropriations limit of the city shall be set at

the first municipal election which is held following the first full fiscal year of operation and shall not be considered to be a change in the appropriations limit of the city pursuant to Section 4 of Article XIII B of the California Constitution.

Property tax exchange for disincorporation

56813. (a) If the proposal includes the disincorporation of a city, as defined in Section 56034, the commission shall determine the amount of property tax revenue to be exchanged by the affected city and successor or affected local agency pursuant to this section.

Notice to auditor

(b) The commission shall notify the county auditor of the proposal, the affected local agencies to be extinguished, and the services proposed to be transferred to new jurisdictions, and identify for the auditor the changes to occur.

(c) If the proposal would not transfer all of the service responsibilities of the disincorporating city to the affected county or to a single affected agency, the commission and the county auditor shall do all of the following:

Auditor's determination

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by the city being disincorporated pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by the city being disincorporated in the prior fiscal year and provide his or her response within 15 days of receiving notification from the commission pursuant to subdivision (b). For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" mean the total amount of revenue which the city being disincorporated may use on a discretionary basis for any purposes and does not include any of the following:

(A) Revenue that, by statute or ordinance, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments that are levied to specifically offset the cost of particular services and that do not exceed the cost reasonably borne in providing these services.

(C) Revenue received from the federal government that is required to be used for a specific purpose.

Commission determination of total net cost; definition

(2) The commission shall determine, based on information submitted by the city being disincorporated, an amount equal to the total net cost to that city during the prior fiscal year of providing those services that an affected agency will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs that were funded by general purpose revenues of the city being disincorporated and excludes any portion of the total cost that was funded by any revenues of that agency that are specified in subparagraphs (A), (B), and (C) of paragraph (1).

Calculation

(3) For the services to be transferred to each affected local agency, the commission shall multiply the amount determined pursuant to paragraph (2) by the proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by the city being disincorporated during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount so determined by the annual tax increment pursuant to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the affected agency receives its next allocation of property taxes.

(d) If the proposal for disincorporation would transfer all of the service responsibilities of the city proposed for disincorporation, other than those that are proposed to be discontinued, to a single successor, the commission shall request that auditor to determine the property tax revenue allocated to the city being disincorporated by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to subdivision (c) or (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to this section, at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the affected agency or agencies that will assume the services as determined by the commission. Any property tax not transferred to an affected agency pursuant to subdivision (c) shall be transferred to the affected county.

"Prior fiscal year"

(f) For the purposes of this section, "prior fiscal year" means the most recent fiscal year preceding the issuance of the certificate of filing for which data is available on actual direct and indirect costs and revenues needed to perform the calculations required by this section.

Action to contest

(g) Any action brought by a city, county, or district to contest any of the determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agencies pursuant to this section shall be commenced within three years of the effective date of the disincorporation.

Commission determination of appropriations limit

56814. If the proposal includes the disincorporation of a city, as defined in Section 56034, with the assignment of property tax revenues to a successor the commission shall make the following determinations, as appropriate:

(a) The increase of the appropriations limit for the successor if the successor is an existing entity.

(b) The appropriations limit for a new special district through a formation process as defined by Section 56810.

Article 3. Revenue Neutrality

Incorporation, legislative intent

56815. (a) It is the intent of the Legislature that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons.

Findings for an incorporation

(b) The commission shall not approve a proposal that includes an incorporation unless it finds that the following two quantities are substantially equal:

(1) Revenues currently received by the local agency transferring the affected territory that, but for the operation of this section, would accrue to the local agency receiving the affected territory.

(2) Expenditures, including direct and indirect expenditures, currently made by the local agency transferring the affected territory for those services that will be assumed by the local agency receiving the affected territory.

Alternative findings

(c) Notwithstanding subdivision (b), the commission may approve a proposal that includes an incorporation if it finds either of the following:

(1) The county and all of the subject agencies agree to the proposed transfer.

(2) The negative fiscal effect has been adequately mitigated by tax sharing agreements, lump-sum payments, payments over a fixed period of time, or any other terms and conditions pursuant to Section 56886.

(d) Nothing in this section is intended to change the distribution of growth on the revenues within the affected territory unless otherwise provided in the agreement or agreements specified in paragraph (2) of subdivision (c).

Resolution; fiscal terms and conditions

(e) Any terms and conditions that mitigate the negative fiscal effect of a proposal that contains an incorporation shall be included in the commission resolution making determinations adopted pursuant to Section 56880 and the terms and conditions specified in the questions pursuant to Section 57134.

Task Force; state guidelines

56815.2. By July 1, 2001, the Governor's Office of Planning and Research, in consultation with the Controller, shall convene a task force composed of representatives of cities, counties, special districts, and local agency formation commissions, as nominated by their statewide organizations and associations, with expertise in local government fiscal issues for the purpose of creating statewide guidelines for the incorporation process. The guidelines

shall be completed by January 1, 2002, by the Office of Planning and Research and shall serve as minimum statewide guidelines for the incorporation process. The guidelines shall include, but not be limited to, information to assist incorporation proponents to understand the incorporation process, its timelines, and likely costs. They shall also provide direction to affected agencies regarding the type of information that should be included in the comprehensive fiscal analysis of an incorporation, as well as suggestions for alternative ways to achieve fiscally neutral incorporations. The guidelines shall be advisory to the commissions in the review of incorporation proposals.

Disincorporation; legislative intent

56816. (a) It is the intent of the Legislature that any proposal that includes the disincorporation of a city result in a determination that the debt or contractual obligations and responsibilities of the city being disincorporated shall be the responsibility of that same territory for repayment. To ascertain this information, the city shall provide a written statement that determines and certifies all of the following to the commission prior to the issuance of a certificate of filing for a disincorporation proposal, pursuant to Section 56651 and 56658:

Written statement requirement

Information to be included

- (1) The indebtedness of the city.
 - (2) The amount of money in the city's treasury.
 - (3) The amount of any tax levy, assessment, or other obligation due to the city that is unpaid or has not been collected.
 - (4) The amount of current and future liabilities, both internal debt owed to other special or restricted funds or enterprise funds within the agency and external debt owed to other public agencies or outside lenders or that results from contractual obligations, which may include contracts for goods or services, retirement obligations, actuarially determined unfunded pension liability of all classes in a public retirement system, including any documentation related to the termination of public retirement contract provisions, and the liability for other postemployment benefits. The information required by this paragraph shall include any associated revenue stream for financing that may be or has been committed to that liability, including employee contributions.
- (b) The city shall provide a written statement identifying the successor agency to the city's former redevelopment agency, if any, pursuant to Section 34173 of the Health and Safety Code.

CHAPTER 5. PROCEEDINGS FOR SPECIAL DISTRICTS

Article 1. Representation and Functions

Resolution initiating

56821. Either the commission or the legislative body of any

representation; regulations

independent special district within a county may adopt a resolution initiating proceedings as follows:

(a) It may propose representation of special districts upon the commission.

(b) It may propose the repeal of regulations affecting the functions and services of special districts.

Consideration of commission's resolution by independent special district selection committee; procedures following approval or disapproval

56821.1. If the commission adopts a resolution pursuant to subdivision (a) of Section 56821, the executive officer shall immediately call a meeting of the independent special district selection committee referred to in Section 56332. The meeting shall be held not less than 15, or more than 35, days from the adoption of the resolution by the commission. The independent special district selection committee shall meet at the time and place designated by the executive officer and shall consider the resolution adopted by the commission. By majority vote of those district representatives voting on the issue, the selection committee shall either approve or disapprove the resolution adopted by the commission. If the selection committee approves the resolution adopted by the commission, it shall immediately inform the executive officer of that action, and the commission at its next meeting shall adopt a resolution of intention pursuant to Section 56822. If the selection committee disapproves the resolution adopted by the commission, it shall immediately inform the executive officer of this action and all further proceedings under this chapter shall cease.

Resolution adopted by independent special districts

56821.3. If an independent special district adopts a resolution pursuant to subdivision (a) of Section 56821, it shall immediately forward a copy of the resolution to the executive officer. Upon receipt of those resolutions from a majority of independent special districts within a county, adopted by the districts within one year from the date that the first resolution was adopted, the commission, at its next regular meeting, shall adopt a resolution of intention pursuant to Section 56822.

Certified copy of resolution

56821.5. A certified copy of any resolution which has been adopted by an independent special district pursuant to subdivision (b) of Section 56821 shall be filed with the executive officer. If a resolution, or substantially identical resolution, has been filed by a majority of independent special districts within the county, then, not later than 35 days after the filing, the commission shall adopt a resolution of intention in accordance with the filed resolution or resolutions.

Resolution of intention; contents

56822. Whenever the commission, or the independent special districts, as the case may be, have complied with the applicable

provisions of Sections 56821, 56821.1, 56821.3, and 56821.5, the commission shall adopt a resolution of intention pursuant to this section. The resolution of intention shall do all of the following:

(a) State whether the proceedings are initiated by the commission or by an independent special district or districts, in which case, the names of those districts shall be set forth.

(b) If the resolution of intention proposes only the repeal of regulations affecting the functions and services of special districts, it shall state that the commission proposes either of the following:

(1) To consider the proposal without reference to a special district advisory committee, in which case the resolution shall contain the text of the regulations proposed to be repealed.

(2) To refer the proposal to a special district advisory committee for study, report, and recommendation, in which case the resolution shall include the regulations proposed to be repealed.

In addition, the resolution of intention adopted pursuant to this subdivision shall also fix a time, not less than 15 or more than 35 days after the adoption of the resolution of intention, and the place of hearing by the commission on the question of whether the proposal made by the resolution should be disapproved, approved, and ordered without reference to a special district advisory committee, or referred to a special district advisory committee for study, report, and recommendation to the commission.

(c) If the resolution of intention proposes representation of special districts on the commission, it shall state that the commission proposes to refer the proposal to a special district advisory committee and the commission shall immediately order the proposal referred to that committee pursuant to Section 56823.

Hearing on resolution of intention; notice

56822.3. If a hearing is called pursuant to subdivision (b) of Section 56822, the executive officer shall give notice of the hearing by publication, as provided in Sections 56153 and 56154, by posting, as provided in Sections 56158 and 56159, and by mailing to the clerk of the county and each local agency within the county, as provided in Sections 56155, 56156, and 56157.

Hearing on resolution of intention; time and place; approval or disapproval

56822.5. The hearing referred to in Section 56822.3 shall be held by the commission at the time and place specified or to which the hearing may be continued. After the conclusion of the hearing, the commission shall adopt a resolution disapproving the proposal made by the resolution of intention, approving and ordering the proposal without reference to a special district advisory committee, or ordering the proposal referred to a special district advisory committee for study, report, and recommendation.

Advisory committee; appointment; proceedings;

56823. If the commission orders a proposal referred to a special district advisory committee for study, report, and recommendation,

definition

the appointment of, and proceedings by, the advisory committee shall be made and taken substantially in accordance with the provisions of Chapter 6 (commencing with Section 56826), pertaining to reorganization committees, except that the advisory committee shall not be terminated until after the commission acts upon the report and recommendation of the advisory committee.

When applied to proceedings taken pursuant to this chapter:

(a) "Plan of reorganization" means a plan containing the text of regulations affecting the functions and services of special districts.

(b) "Proposal of reorganization," "reorganization," or "change of organization" means a proposal made pursuant to this chapter.

(c) "Reorganization committee" means the special district advisory committee.

(d) "Subject district" means an independent special district affected by a proposal made pursuant to this chapter.

If the commission is of the opinion that special districts, other than independent special districts, may be affected by the proposal, then, in addition to the appointment of voting members to the advisory committee to represent independent special districts, the commission may authorize the legislative bodies of special districts, other than independent special districts, to appoint nonvoting members to the advisory committee. Any nonvoting member shall have all of the rights of a voting member except the right to vote.

Advisory committee; executive committee; membership; duties and powers

56824. Where a special district advisory committee consists of voting members representing more than five independent special districts, the advisory committee may appoint an executive committee to undertake all or part of the study and may authorize the executive committee to prepare a tentative report and recommendation for submission to and approval by the full advisory committee. The executive committee shall consist of the number of voting members as the advisory committee may determine. If the commission authorizes the appointment of nonvoting members to the advisory committee, those nonvoting members may appoint members to the executive committee in numbers not exceeding those appointed by the voting members and any nonvoting member appointed to the executive committee shall have all of the rights of a voting member on the committee, except the right to vote.

Upon completion of the studies of the executive committee, the executive committee shall report to the full advisory committee and submit any tentative report and recommendation prepared by the executive committee. Thereafter, the advisory committee may reject any tentative report and recommendation submitted, may adopt any tentative report and recommendation submitted, either as submitted by the executive committee or as changed by the full

advisory committee, or the advisory committee may prepare its own report and recommendation.

Action of commission on report and recommendation of advisory committee

56824.1. Not later than 35 days after the filing with the executive officer of the report and recommendation of a special district advisory committee, the commission shall take one of the following actions:

(a) If the report concerns only the repeal of regulations affecting the functions and services of special districts, the commission may do either of the following:

(1) Disapprove the report without further notice and hearing.

(2) Adopt a resolution of intention to hold a hearing on the report pursuant to subdivision (c).

(b) If the report concerns a request for special district representation on the commission, the commission shall adopt a resolution declaring its intention to approve the report and recommendation.

(c) A resolution of intention shall do all of the following:

(1) Refer to the report and recommendation of the special district advisory committee, generally describe the nature and contents of the report and recommendation, and refer to the report and recommendation on file with the executive officer for a detailed description report and recommendation.

(2) Declare the intention of the commission to approve the recommendation and report, as filed.

(3) Fix a time, not less than 15 days, or more than 35 days, after the adoption of the resolution of intention, and the place of hearing by the commission, on the question of whether the report and recommendation filed by the special district advisory committee should be approved, either as filed or as ordered changed by the commission after notice and hearing.

Hearing on approval of report and recommendation of advisory committee; notice

56824.3. The executive officer shall give notice of the hearing by publication, as provided in Sections 56153 and 56154, by posting, as provided in Sections 56158 and 56159, and by mailing to the clerk of the county and each local agency within the county, as provided in Sections 56155, 56156, and 56157.

Hearing on approval of report and recommendation of advisory committee; time and place; proposal for changes

56824.5. The hearing shall be held by the commission at the time and place specified or to which the hearing may be continued. During the course of the hearing, the commission may propose changes in the report and recommendations. Any proposed changes shall be referred, for review, to the special district advisory committee, or if the advisory committee has appointed an executive committee, to that executive committee. The advisory committee, or the executive committee, shall have 60 days to report back to the commission. If no report is received by the

commission within 60 days, the advisory committee shall be deemed to have approved the proposed changes in the report and recommendation.

Within 30 days after the conclusion of the hearing, the commission shall adopt a resolution approving the report and recommendation, either as filed or as those regulations may be changed by the commission.

Resolution approving report and recommendation of advisory committee; orders

56824.7. Any resolution approving the report and recommendation of a special district advisory committee, either as filed or as changed by the commission, shall order both of the following:

(a) The repeal of regulations, in accordance with the recommendations of the approved report.

(b) The chairperson of the commission to call and give notice of a meeting of the independent special district selection committee to be held within 15 days after the adoption of the resolution if special district representatives on the commission are to be selected pursuant to Section 56332.

Article 1.5. New or Different Services

New or different services; resolution of application

56824.10. Commission proceedings for 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, pursuant to subdivision (b) of Section 56654, may be initiated by a resolution of application in accordance with this article.

District's proposal to provide new or different services

56824.12. (a) A proposal by a special district to provide a new or different function or class 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, pursuant to subdivision (b) of Section 56654, shall be made by the adoption of a resolution of application by the legislative body of the special district and shall include all of the matters specified for a petition in Section 56700, except paragraph (6) of subdivision (a) of Section 56700, and be submitted with a plan for services prepared pursuant to Section 56653. The plan for services for purposes of this article shall also include all of the following information:

Plan for services

(1) The total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries.

(2) The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The estimated costs may be identified by customer class.

(3) An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

(4) A written summary of whether the new or different function or class 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, pursuant to subdivision (b) of Section 56654, will involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services.

(5) A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.

(6) Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.

(b) The clerk of the legislative body adopting a resolution of application shall file a certified copy of that resolution with the executive officer. Except as provided in subdivision (c), the commission shall process resolutions of application adopted pursuant to this article in accordance with Section 56824.14.

(c) (1) Prior to submitting a resolution of application pursuant to this article to the commission, the legislative body of the special district shall conduct a public hearing on the resolution. Notice of the hearing shall be published pursuant to Sections 56153 and 56154.

(2) Any affected local agency, affected county, or any interested person who wishes to appear at the hearing shall be given an opportunity to provide oral or written testimony on the resolution.

Noticed public hearing on district's application

Commission review and approval 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.

Article 2. Reorganization

56825. The commission shall have the powers and duties set forth in Part 2 (commencing with Section 56300) and the additional powers and duties specified in this chapter.

Provisions; one or more changes

56826. A reorganization or a plan of reorganization shall provide for one or more changes of organization of any type for each of the subject districts and may provide for the formation of one or more new districts pursuant to the principal act or acts designated in the reorganization or plan of reorganization and Section 56100.

Consolidation of special districts not formed pursuant to the same principal act; conditions for approval

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

(1) The commission is able to designate a successor or successors, or form a new district or districts, authorized by their

respective principal acts to deliver all of the services provided by the consolidating districts at the time of consolidation.

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

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

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

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

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

With or without reorganization committee

56827. (a) Except as provided in subdivision (b), upon the presentation of any petition or applications making a proposal for a reorganization, the commission may take proceedings pursuant to Part 3 (commencing with Section 56650) without referring the proposal to a reorganization committee, as provided in this part.

(b) The commission may refer to a reorganization committee any incorporation proposal that includes, or may be modified to include, any of the following changes of organization affecting an independent special district: consolidation, dissolution, formation, merger, or establishment of a subsidiary district.

(c) If the commission has initiated a change of organization or reorganization that affects more than one special district, the commission may, and is encouraged to, utilize a reorganization committee to review the proposal.

Hearing on disapproval or

56828. Before any proposal for reorganization is referred to any

referral to committee

reorganization committee, the commission may provide for a public hearing on the question of whether the proposal should be disapproved or referred to a reorganization committee and set a time and place for that hearing.

Notice of hearing on disapproval or referral; publication and posting

56829. The executive officer shall give notice of that hearing by publication, as provided in Sections 56153 and 56154, and by posting, as provided in Sections 56158 and 56159.

Notice of hearing on disapproval or referral; mailed notice

56830. The executive officer shall also give mailed notice of any hearing, as provided in Sections 56155 to 56157, inclusive, by mailing notice of hearing to all of the following persons and entities:

- (a) Each affected city and affected district.
- (b) The chief petitioners, if any.
- (c) Each person who has filed a written request for special notice with the executive officer.

Hearing; time and place; disapproval or referral to committee

56831. The hearing shall be held by the commission on the date and at the time and place specified in the notice. After the conclusion of the hearing, the commission shall adopt a resolution doing either of the following:

- (a) Disapproving the proposal of reorganization.
- (b) Ordering the proposal referred to a reorganization committee for study, report, and recommendation.

Contributions; facilities for use of committee

56832. The commission may accept contributions from any source for the purpose of paying the expenses of a reorganization committee in the conduct of its study, report, and recommendation. Any affected county, affected city, or affected district may make contributions for that purpose. The commission and any affected county, affected city, or affected district may make any of its facilities available for the use of a reorganization committee and may authorize any of its officers and employees to furnish advice, assistance, or services to the committee.

Resolution contents; proposal referred to committee

56833. Any resolution adopted by the commission ordering a proposal of reorganization referred to a reorganization committee shall do all of the following:

- (a) Describe the proposed reorganization and designate the subject districts (the description and designation may be by reference to the proposal).
- (b) Specify the maximum number of members, not to exceed three, to represent each subject district on the committee.
- (c) Fix a time and place for the first meeting of the reorganization committee.

(d) Designate a date, not less than 60 days from the date of the first meeting of the committee, for the completion and submission to the commission of the report and recommendation of the committee.

Commission's powers during study by reorganization committee

56834. From time to time during the course of study upon a proposed plan of reorganization, the commission may do any of the following:

(a) Extend the time for completion and submission of the report and recommendation of a reorganization committee.

(b) Change the scope of the study by the addition or deletion of territory or subject districts, except that the authority granted to a commission under this subdivision shall not apply to a change of organization or reorganization as described in subdivision (a) of Section 56853.

(c) Authorize the committee to develop, study, report, and make recommendations upon alternative plans of reorganization.

Mailing copies of commission's resolution; time

56835. At least 15 days before the date of the first meeting of a reorganization committee, the executive officer shall mail a copy of the resolution adopted by the commission to each subject district designated in the resolution.

Reorganization committee; eligibility for membership

56836. Any person, including, but not limited to, a member of the legislative body of a subject district and an officer or employee of the district, may be appointed as a member to represent the district upon a reorganization committee.

Reorganization committee; appointment removals; vacancies

56837. (a) The legislative body of each affected district shall appoint one or more members, not to exceed the maximum number specified by the commission, to represent the district on the reorganization committee. That legislative body may remove and replace any member previously appointed by it, and may fill any vacancy in its membership upon the committee.

(b) In the case of a reorganization committee created pursuant to subdivision (b) of Section 56827, the county board of supervisors shall appoint one or more members, not to exceed the maximum number specified by the commission, to represent the county on the reorganization committee. The county board of supervisors may appoint any person, including, but not limited to, an officer or employee of the county to represent the county on the reorganization committee. The county board of supervisors may remove and replace any member previously appointed by it, and may fill any vacancy in its membership on the committee.

(c) In the case of a reorganization committee created pursuant to subdivision (b) of Section 56827, the commission shall appoint one or more members to represent the general public on the

reorganization committee. The number of members appointed to represent the general public shall not exceed the maximum number specified by the commission to represent the county or each subject district. A member appointed pursuant to this subdivision shall not be an officer or employee of any local agency. The commission may remove and replace any member previously appointed by it, and may fill any vacancy in its membership on the committee.

**Reorganization committee;
notice of appointments and
removals**

56838. The clerk of a subject district shall give immediate notice to the executive officer of all appointments and removals made by the legislative body to a reorganization committee.

**Reorganization committee;
appointments by commission**

56839. At any time after the date fixed for the first meeting of a reorganization committee or during the course of the study by the committee, if the legislative body of any subject district, after written request by the executive officer, does not appoint any members to the committee, those members may be appointed by the commission.

**Reorganization committee;
change in scope of study; change
in personnel**

56840. If, during the course of study upon a proposed plan of reorganization, the commission authorizes a change in the scope of the study, the membership of the reorganization committee shall be immediately changed to exclude representatives of each district or city for which a change of organization is no longer proposed and to include representatives of each district or city for which a new change of organization is proposed.

**Reorganization committee;
officers; standards and
procedures; meetings**

56841. Subject to any standards and procedures adopted by regulation by the commission, a reorganization committee shall provide for the selection of a presiding officer and secretary either of whom may but are not required to be members of the committee, adopt the standards and procedures which it deems advisable, fix the time and place for meetings of the committee, and determine the manner and method to be followed by the committee in its study, report, and recommendation.

**Reorganization committee;
quorum; voting rights**

56842. A quorum shall be deemed to be present at a meeting of a reorganization committee if members representing one-half or more of the subject districts are present. Each subject district shall be entitled to one vote at any reorganization committee meeting, which vote shall be determined by a majority of the members of the district present at the meeting.

**Reorganization committee;
disagreement or failure to
report; discharge or appointment**

56843. If a reorganization committee does not complete and submit its report and recommendation before the date specified by the commission or, prior to that date, if members of the committee

of public members

representing one-half or more of the subject districts report to the commission that the committee is unable to agree upon the report and recommendation, the commission may either order the discharge of the committee, or appoint additional members to the committee, not to exceed the maximum number authorized for a single subject district, to represent the public and order the committee, as so enlarged, to continue its study.

Commission's study, report, and recommendation in place of that of discharged reorganization committee

56844. If the commission orders the discharge of a reorganization committee, the commission may make a study, report, and recommendation upon a plan of reorganization in the place of the reorganization committee.

Reorganization committee; rights of additional public members

56845. If the commission appoints additional members to the reorganization committee to represent the public and orders the reorganization committee, as so enlarged, to continue its study, the additional members shall have all of the rights and powers of members representing a single subject district, including participation in all studies, reports, and recommendations, attendance at all meetings, and the casting of a single vote on behalf of all of the additional members on any matter before the committee.

Reorganization committee; cooperation of officers of affected county, city, or district

56846. Every officer of any affected county, affected city, or affected district shall make available to a reorganization committee any records, reports, maps, data, or other documents which in any way affect or pertain to the committee's study, report, and recommendation and shall confer with the committee concerning the problems and affairs of that county, city, or district.

Reorganization committee; report and recommendation

56847. Upon completion of the study of a reorganization committee, the committee shall prepare and submit to the commission a report and recommendation containing all of the following:

(a) A brief summary of the nature and extent of the study of the committee.

(b) A full and complete description of the plan of reorganization and any alternative plans of reorganization which were studied by the committee.

(c) The recommendation of the committee for the approval or disapproval of all or any part of the plan of reorganization and of any alternative plans of reorganization.

Reorganization committee; approval of report and recommendation; vote required

56848. Approval by a reorganization committee of the report and recommendation shall require the affirmative vote of more than one-half of the subject districts represented on the reorganization committee.

Reorganization committee; filing report and recommendation; termination; reconvening committee; purposes

56849. The reorganization committee shall file the original of its report and recommendation with the executive officer and a copy of the report and recommendation with the clerk of each subject district. Upon filing that report and recommendation with the executive officer, the reorganization committee shall be terminated. However, the commission may cause the committee to be reconvened at any time for the sole purpose of correcting or clarifying any error, omission, or uncertainty appearing in the report and recommendation, as determined by the commission.

Consolidation or reorganization; similar resolutions

56853. (a) If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal.

(b) Except as provided in subdivision (c), a commission may order any material change in the provisions or the terms and conditions of the consolidation or reorganization, as set forth in the proposals of the local agencies. The commission shall direct the executive officer to give each subject agency mailed notice of any change prior to ordering a change. The commission shall not, without the written consent of all subject agencies, take any further action on the consolidation or reorganization for 30 days following that mailing. Upon written demand by any subject agency, filed with the executive officer during that 30-day period, the commission shall make determinations upon the proposals only after notice and hearing on the proposals. If no written demand is filed, the commission may make those determinations without notice and hearing. The application of any provision of this subdivision may be waived by consent of all of the subject agencies.

(c) The commission shall not order a material change in the provisions of a consolidation or reorganization, as set forth in the proposals of the local agencies pursuant to subdivision (a), that would add or delete districts without the written consent of the applicant local agencies.

56854. [Repealed by Stats. 2012, Ch. 62]

Annexation to fire protection district; contracts with city

56855. (a) This section shall apply to any proposal which contains the annexation of territory to a fire protection district which is organized pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health and Safety Code, and the affected territory is or is proposed to be all or part of a city which is within the fire protection district.

(b) Prior to the adoption by the local agency formation commission of a resolution making determinations, the district may request and the commission shall impose, as a term and condition, a requirement that the legislative body of the city shall enter into a contract with the district. The contract shall require:

(1) That the affected territory shall remain part of the district for a period of at least 10 years.

(2) That the city shall pay the cost of services provided by the district. This payment shall be in amounts and on terms specified in the contract.

(3) Any other conditions to which the city and the district mutually agree.

Farmland security zones; restrictions for district annexations

56856. (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a special district of territory that is within a farmland security zone created pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Division 1 if that special district provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads, unless the facilities or services benefit land uses that are allowed under the farmland security zone contract and the landowner consents to the change of organization or reorganization.

Exclusion

(b) This section shall not apply during the three-year period preceding the termination of a farmland security zone contract under Article 7 (commencing with Section 51296) of Chapter 7 of Division 1.

Change of organization or reorganization; land subject to Williamson Act

56856.5. (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a city or special district of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1), other than a contract entered into pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1, if that city or special district provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract.

(b) This section shall not be construed to preclude the annexation of territory for the purpose of using other facilities or services provided by the agency that benefit land uses allowable under the contract.

(c) Notwithstanding subdivision (a), the commission may nevertheless approve a change of organization or reorganization if it finds any of the following:

(1) The city or county that would administer the contract after annexation has adopted policies and feasible implementation measures applicable to the affected territory ensuring the continuation of agricultural use and other uses allowable under the contract on a long-term basis.

(2) The change of organization or reorganization encourages and provides planned, well-ordered, and efficient urban development patterns that include appropriate consideration of the preservation of open-space lands within those urban development patterns.

(3) The change of organization or reorganization is necessary to provide services to planned, well-ordered, and efficient urban development patterns that include appropriate consideration of the preservation of open-space lands within those urban development patterns.

(d) This section shall not apply to territory subject to a contract for which either of the following applies:

(1) A notice of nonrenewal has been served pursuant to Section 51245, if the annexing agency agrees that no services will actually be provided by it for use during the remaining life of the contract for land uses or activities not allowed under the contract.

(2) A tentative cancellation has been approved pursuant to Section 51282.

District annexation not filed by the district

56857. (a) Upon receipt by the commission of a proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, the executive officer shall place the proposal on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the proposal to any district to which an annexation of territory is requested.

Termination

(b) No later than 60 days after the date that the proposal is on the commission's meeting agenda in accordance with subdivision (a), any district to which annexation of territory is proposed may adopt and transmit to the commission a resolution requesting termination of the proceedings. The resolution requesting termination of the proceedings shall be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern or because the territory is already receiving electrical service under a service area agreement approved by the Public Utilities Commission pursuant to Section 9608 of the Public Utilities Code. Prior to the commission's termination of proceedings pursuant to subdivision (c), the resolution is subject to judicial review.

(c) If any district to which annexation of territory is proposed has adopted and transmitted to the commission a resolution requesting termination of proceedings within the time period prescribed by, and in accordance with, subdivision (b), and if the commission has

not been served with notice that judicial review of that resolution is being sought pursuant to subdivision (b), then the commission shall terminate the proceedings no sooner than 30 days from receipt of the resolution from the district.

(d) For purposes of an annexation to a district pursuant to this section or Section 56668.3:

Financial concerns

(1) "Financial concerns" means that the proposed uses within the territory proposed to be annexed do not have the capacity to provide sufficient taxes, fees, and charges, including connection fees, if any, to pay for the full cost of providing services, including capital costs. Cost allocation shall be based on generally accepted accounting principles and shall be subject to all constitutional and statutory limitations on the amount of the tax, fee, or charge.

Service concerns

(2) "Service concerns" means that a district will not have the ability to provide the services that are the subject of the application to the territory proposed to be annexed without imposing level of service reductions on existing and planned future uses in the district's current service area. "Service concerns" does not include a situation when a district has the ability to provide the services or the services will be available prior to the time that services will be required.

Territory already receiving electrical service under a service area agreement approved by the Public Utilities Commission pursuant to Section 9608 of the Public Utilities Code

(3) "Territory already receiving electrical service under a service area agreement approved by the Public Utilities Commission pursuant to Section 9608 of the Public Utilities Code" means territory that is outside the boundaries of an irrigation district but is currently receiving electrical services from the irrigation district pursuant to a service area agreement between the district and a public utility approved by the Public Utilities Commission as authorized by Sections 8101 to 8108, inclusive, and 9608 of the Public Utilities Code.

(4) A district may make findings regarding financial or service concerns based on information provided in the application and any additional information provided to the district by the commission or the applicant that is relevant to determining the adequacy of existing and planned future services to meet the probable future needs of the territory. Findings related to service or financial concerns may be based on an urban water management plan, capital improvement plan, financial statement, comprehensive annual financial report, integrated resource management plan, or other information related to the ability of a district to provide services. Findings related to existing provision of electrical service by an irrigation district pursuant to a service area agreement approved under Section 9608 of the Public Utilities Code shall be based on the records of the district and the Public Utilities Commission evidencing approval of such a service area agreement by the Public Utilities Commission.

(5) Nothing in this section shall be construed to create a right or entitlement to water service or any specific level of water service.

(6) Nothing in this section is intended to change existing law concerning a district's obligation to provide water service to its existing customers or to any potential future customers.

(e) This section shall not apply if all districts to which annexation of territory is proposed have adopted and transmitted to the commission a resolution supporting the proposed change of organization or reorganization.

Article 3. Formation

Formation proceedings per principal act

56859. Proceedings for the formation of a district shall be conducted as authorized in the principal act of the district proposed to be formed and Section 56100.

By petition

56860. If a proposal for formation of a new district is made by petition, the petition shall comply with the signature requirements and content of a petition for formation of the district as set forth in the principal act under which the new district is proposed to be formed.

Proposed name for new or consolidated district

56860.5. If a petition is for consolidation of districts or formation of a new district, the petition may propose a name for the new or consolidated district.

Proposal to form subsidiary district; notice

56861. (a) Within 10 days after receiving a proposal to form a subsidiary district, the executive officer shall notify by certified mail the district or districts which are the subject of the proposal.

(b) Within 35 days after receiving the notice from the executive officer, the board of directors of the subject district or districts may do either of the following:

(1) Adopt a resolution consenting to the subsidiary district proposal, with or without requesting additional terms and conditions.

Alternative proposal

(2) Adopt a resolution of intention to file an alternative proposal to the subsidiary district proposal.

(c) Any resolution adopted under paragraph (1) or (2) of subdivision (b) shall immediately be filed with the executive officer.

Resolution of intention to file alternative proposal

56862. (a) If a district files a resolution of intention to file an alternative proposal pursuant to paragraph (2) of subdivision (b) of Section 56861, the executive officer shall take no further action on the original proposal to form a subsidiary district for a period of 70 days. During this period, the district which has filed a resolution of intention shall prepare and submit a completed application for the alternative proposal in a form similar to the original proposal, as prescribed by the commission.

(b) A district which has filed a resolution of intention to file an alternative proposal but which does not file a completed application within the prescribed time period, shall be deemed to have consented to the original proposal to form a subsidiary district.

(c) After receiving an alternative proposal, the executive officer shall analyze and report on both the original proposal and the alternative proposal concurrently and set both for hearing by the commission in order that both proposals may be considered simultaneously at a single hearing.

(d) "Alternative proposal," as used in this section, means an alternative proposal to a subsidiary district proposal as provided for in Section 56861.

Determination on proposal and alternative

56863. (a) Within 35 days following the conclusion of a hearing on an original and an alternative proposal to form a subsidiary district, the commission shall adopt its resolution of determination, which shall do one of the following:

(1) Deny both the original proposal and the alternative proposal.

(2) Approve one proposal and deny the other.

(b) "Alternative proposal," as used in this section, means an alternative proposal to a subsidiary district proposal as provided for in Section 56861.

Article 4. Initiation by Petition

Annexation or detachment from district; signatures

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.

Reorganization; signatures

56864.1. (a) A petition for reorganization shall be signed so as to comply with the applicable signature requirements of this article with respect to each of the various changes proposed in the petition.

(b) If a proposal for reorganization includes a proposal for the formation of a new district, the petition shall comply with the signature requirements, if any, of a petition for formation of the

district, as set forth in the principal act designated in the petition for formation, and if there are no such requirements, then the requirements of this part pertaining to dissolution.

(c) If a proposal for reorganization includes incorporation, the petition shall comply with the signature requirements for incorporation.

**Two or more changes proposed;
signatures**

56864.3. If a person is qualified to sign for two or more of the changes of organization proposed by the petition, that person need sign the petition only once and his or her signature shall be counted as if that person had signed and requested each change of organization.

**Consolidation of districts;
signatures**

56865. Petitions for the consolidation of two or more districts shall be signed as follows:

(a) For registered voter districts, by not less than 5 percent of the registered voters within each of the several districts.

(b) For landowner-voter districts, by landowner-voters within each of the several districts constituting not less than 5 percent of the number of landowner-voters owning land within each of the several districts and who also own not less than 5 percent of the assessed value of land within each of the several districts.

**Merger or subsidiary district of a
city; signatures**

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 registered 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.

**Dissolution of a district;
signatures**

56870. Except as otherwise provided in Section 56871, petitions for the dissolution of a district shall be signed as follows:

(a) For registered voter districts, by either of the following:

(1) Not less than 10 percent of the registered voters within the district.

(2) Not less than 10 percent of the number of landowners within the district who also own not less than 10 percent of the assessed value of land within the district.

(b) For landowner-voter districts, by not less than 10 percent of the number of landowner-voters within the district who also own

not less than 10 percent of the assessed value of land within the district.

Dissolution of registered voter or landowner-voter district; signature requirements

56871. A petition for the dissolution of a registered voter district, signed by three or more registered voters within the district or by three or more landowners within a landowner-voter district, shall be deemed to be a sufficient petition, if, in addition to the matters required by Section 56700, the petition recites that the district has been in existence for at least three years and states, on information and belief, that the corporate powers of the district have not been used and that one or more of the following conditions have existed or now exist:

(a) That during the three-year period preceding the date of the first signature upon the petition any of the following events have not occurred:

(1) There has not been a duly selected and acting quorum of the board of directors of the district.

(2) The board of directors has not furnished or provided services or facilities of substantial benefit to residents, landowners, or property within the district.

(3) The board of directors has not levied or fixed and collected any taxes, assessments, service charges, rentals, or rates or expended the proceeds of those levies or collections for district purposes.

(b) That during the one-year period preceding the date of the first signature upon the petition a quorum of the duly selected and acting board of directors has not met for the purpose of transacting district business.

(c) That, upon the date of the first signature upon the petition, the district had no assets, other than money in the form of cash, investments, or deposits.

Article 5. Miscellaneous

Report of Public Utilities Commission; gas or electric service

56875. If any sufficient petition or resolution of application shall propose, as a part of the petition or resolution of application, that the district shall furnish gas or electric service, as provided in Sections 56129 to 56131, inclusive, a certified copy of the report of the Public Utilities Commission shall be on file with the executive officer prior to setting that petition or resolution for public hearing by the commission.

Annexation or detachment; election locations; conditions

56876. In any order approving a proposal for an annexation to, or detachment from, a district, the commission may determine that any election called upon the question of confirming an order for the annexation or detachment shall be called, held, and conducted upon that question under either of the following conditions:

(a) Only within the territory ordered to be annexed or detached.

(b) Both within the territory ordered to be annexed or detached and within all or any part of the district which is outside of the territory.

District annexation

56877. When a change of organization or a reorganization includes the annexation of inhabited territory to a district and the assessed value of land within the territory equals one-half or more of the assessed value of land within the district, or the number of registered voters residing within the territory equals one-half or more of the number of registered voters residing within the district, the commission may determine as a condition of the proposal that the change of organization or reorganization shall also be subject to confirmation by the voters in an election to be called, held, and conducted within the territory of the district to which annexation is proposed.

Inactive special district list

56879. (a) On or before November 1, 2018, and every year thereafter, the Controller shall create a list of special districts that are inactive, as defined in Section 56042, based upon the financial reports received by the Controller pursuant to Section 53891. The Controller shall publish the list of inactive districts on the Controller's internet website. The Controller shall also notify the commission in the county or counties in which the district is located if the Controller has included the district in this list.

**Inactive special district:
dissolution**

(b) The commission shall initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller pursuant to subdivision (a), unless the commission determines that the district does not meet the criteria set forth in Section 56042. The commission shall notify the Controller if the commission determines that a district does not meet the criteria set forth in Section 56042.

(c) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this section no more than 90 days following the adoption of the resolution initiating dissolution. The dissolution of an inactive district shall not be subject to any of the following:

- (1) Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4.
- (2) Determinations pursuant to subdivision (b) of Section 56881.
- (3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375.
- (4) **Sections 99 and 99.01 of the Revenue and Taxation Code. (Amended by Stats. 2021, Ch. 31)**

56879.5. This article shall not apply to a special district formed by

special legislation that is required by its enabling statute to obtain funding within a specified period of time or be dissolved. That district shall not be subject to this article during that specified period of time.

CHAPTER 6. COMMISSION DECISION

Article 1. Determinations

Adoption of resolution

56880. At any time not later than 35 days after the conclusion of the hearing, the commission shall adopt a resolution making determinations approving or disapproving the proposal, with or without conditions, the plan of reorganization, or any alternative plan of reorganization as set forth in the report and recommendation of a reorganization committee. If the commission disapproves the proposal, plan of reorganization, or any alternative plan of reorganization, no further proceedings shall be taken on those proposals or plans.

Resolution making determinations

56881. The resolution making determinations shall also do all of the following:

(a) Make any of the findings or determinations authorized or required pursuant to Section 56375.

(b) For any proposal initiated by the commission pursuant to subdivision (a) of Section 56375, make both of the following determinations:

(1) Public service costs of a proposal that the commission is authorizing are likely to be less than or substantially similar to the costs of alternative means of providing the service.

(2) A change of organization or reorganization that is authorized by the commission promotes public access and accountability for community services needs and financial resources.

Short-form designation

(c) If applicable, assign a distinctive short-term designation to the affected territory and a description of the territory.

Protest proceedings

(d) Initiate protest proceedings pursuant to Part 4 (commencing with Section 57000) in compliance with the resolution.

Mailed copy of resolution making determinations; recipients

56882. The executive officer shall mail a copy of the resolution adopted by the commission making determinations addressed to each of the following persons or entities:

(a) The proponents, if any, where the proceedings for change of organization were initiated by petition.

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

Correction of clerical errors or

56883. The executive officer may, before the completion of a

mistakes before completion

proceeding, on good cause being shown, correct clerical errors or mistakes made through inadvertence, surprise, or excusable neglect that may be contained in the resolution adopted by the commission making determinations, upon written request by any member of the commission, by the executive officer, or by any affected agency. A correction made pursuant to this section shall not be cause for filing a request pursuant to Section 56895.

Corrections and reconsideration

Disapproval of proposals by commission

56884. (a) Except as otherwise provided in subdivision (b), if the commission wholly disapproves any proposal:

(1) No further proceedings shall be taken on that proposal.

Waiting time for new proposal

(2) No similar proposal involving the same or substantially the same territory shall be initiated for one year after the date of adoption of the resolution terminating proceedings.

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

Article 2. Terms and Conditions

Approval conditions

56885. The commission may, at any time, authorize any legislative body holding a hearing pursuant to this division, to continue the hearing to a date or dates extending beyond the dates specified in this division.

Conditional approval of change of organization or reorganization

56885.5. (a) In any commission order giving approval to any change of organization or reorganization, the commission may make that approval conditional upon any of the following factors:

(1) Any of the conditions set forth in Section 56886.

(2) The initiation, conduct, or completion of proceedings for another change of organization or a reorganization.

(3) The approval or disapproval, with or without election, as may be provided by this division, of any resolution or ordinance ordering that change of organization or reorganization.

(4) With respect to any commission determination to approve the disincorporation of a city, the dissolution of a district, or the reorganization or consolidation of agencies that results in the dissolution of one or more districts or the disincorporation of one or more cities, a condition that prohibits a district that is being dissolved or a city that is being disincorporated from taking any of the following actions, unless it first finds that either an emergency situation exists as defined in Section 54956.5, or the legislative body of the successor, as designated by the commission has taken action approving one or more of the following actions:

Prohibition for a district being dissolved or a city being disincorporated

(A) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.

(B) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the commission approves the dissolution or disincorporation.

(b) If the commission so conditions its approval, the commission may order that any further action pursuant to this division be continued and held in abeyance for the period of time designated by the commission, not to exceed six months from the date of that conditional approval.

(c) The commission order may also provide that any election called upon any change of organization or reorganization shall be called, held, and conducted before, upon the same date as, or after the date of any election to be called, held, and conducted upon any other change of organization or reorganization.

(d) The commission order may also provide that in any election at which the questions of annexation and district reorganization, or incorporation and district reorganization or, incorporation and district reorganization, or disincorporation and district reorganization are to be considered at the same time, there shall be a single question appearing on the ballot upon the issues of annexation and district reorganization or incorporation and district reorganization.

56886. Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions. If a change of organization or reorganization is made subject to one or more of the following terms and conditions in the commission's resolution making determinations, the terms and conditions imposed shall prevail in the event of a conflict between a specific term and condition authorized pursuant to this section and any of the general provisions of Part 5 (commencing with Section 57300). However, none of the following terms and conditions shall directly regulate land use, property development, or subdivision requirements:

Payments

(a) The payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use, or right of use of all or any part of the existing property, real or personal, of any city, county, or district.

(b) The levying or fixing and the collection of any of the following, for the purpose of providing for any payment required pursuant to subdivision (a):

Taxes, charges, and assessments

(1) Special, extraordinary, or additional taxes or assessments.

(2) Special, extraordinary, or additional service charges, rentals, or rates.

(3) Both taxes or assessments and service charges, rentals, or rates.

(c) The imposition, exemption, transfer, division, or

apportionment, as among any affected cities, affected counties, affected districts, and affected territory of liability for payment of all or any part of principal, interest, and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of any city, county, district, or any improvement district within a local agency, and the levying or fixing and the collection of any (1) taxes or assessments, or (2) service charges, rentals, or rates, or (3) both taxes or assessments and service charges, rentals, or rates, in the same manner as provided in the original authorization of the bonds and in the amount necessary to provide for that payment.

Bonds, contracts, and other obligations

(d) If, as a result of any term or condition made pursuant to subdivision (c), the liability of any affected city, affected county, or affected district for payment of the principal of any bonded indebtedness is increased or decreased, the term and condition may specify the amount, if any, of that increase or decrease which shall be included in, or excluded from, the outstanding bonded indebtedness of that entity for the purpose of the application of any statute or charter provision imposing a limitation upon the principal amount of outstanding bonded indebtedness of the entity.

Improvement districts

(e) The formation of a new improvement district or districts or the annexation or detachment of territory to, or from, any existing improvement district or districts.

New indebtedness

(f) The incurring of new indebtedness or liability by, or on behalf of, all or any part of any local agency, including territory being annexed to any local agency, or of any existing or proposed new improvement district within that local agency. The new indebtedness may be the obligation solely of territory to be annexed if the local agency has the authority to establish zones for incurring indebtedness. The indebtedness or liability shall be incurred substantially in accordance with the laws otherwise applicable to the local agency.

Bonds

(g) The issuance and sale of any bonds, including authorized but unissued bonds of a local agency, either by that local agency or by a local agency designated as the successor to any local agency which is extinguished as a result of any change of organization or reorganization.

Property

(h) The acquisition, improvement, disposition, sale, transfer, or division of any property, real or personal.

Funds

(i) The disposition, transfer, or division of any moneys or funds, including cash on hand and moneys due but uncollected, and any other obligations.

Water

(j) The fixing and establishment of priorities of use, or right of use, of water, or capacity rights in any public improvements or facilities or any other property, real or personal. However, none of the terms and conditions ordered pursuant to this subdivision shall modify priorities of use, or right of use, to water, or capacity rights

	in any public improvements or facilities that have been fixed and established by a court or an order of the State Water Resources Control Board.
Offices, departments, and boards	(k) The establishment, continuation, or termination of any office, department, or board, or the transfer, combining, consolidation, or separation of any offices, departments, or boards, or any of the functions of those offices, departments, or boards, if, and to the extent that, any of those matters is authorized by the principal act.
Employee benefits and rights	(l) The employment, transfer, or discharge of employees, the continuation, modification, or termination of existing employment contracts, civil service rights, seniority rights, retirement rights, and other employee benefits and rights.
Successor	(m) The designation of a city, county, or district, as the successor to any local agency that is extinguished as a result of any change of organization or reorganization, for the purpose of succeeding to all of the rights, duties, and obligations of the extinguished local agency with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the extinguished local agency.
Designation of legislative body	(n) The designation of (1) the method for the selection of members of the legislative body of a district or (2) the number of those members, or (3) both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of that selection or for varying numbers of those members, or both.
Other proposals	(o) The initiation, conduct, or completion of proceedings on a proposal made under, and pursuant to, this division.
Effective date	(p) The fixing of the effective date or dates of any change of organization, subject to the limitations of Section 57202.
Principal act conditions	(q) Any terms and conditions authorized or required by the principal act with respect to any change of organization.
Service continuation	(r) The continuation or provision of any service provided at that time, or previously authorized to be provided by an official act of the local agency.
Levying charges	(s) The levying of either of the following: (1) Assessments or fees, including the imposition of a fee pursuant to Section 50029 or 66484.3. For the purposes of this section, imposition of a fee as a condition of the issuance of a building permit does not constitute direct regulation of land use, property development, or subdivision requirements. (2) General or special taxes subject to approval by the voters.
Continuation of charges	(t) The extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency or a successor local agency in the affected territory.
Transfer of authority for charges (Mello-Roos, etc.)	(u) The transfer of authority and responsibility among any affected cities, affected counties, and affected districts for the

administration of special tax and special assessment districts, including, but not limited to, the levying and collecting of special taxes and special assessments, including the determination of the annual special tax rate within authorized limits; the management of redemption, reserve, special reserve, and construction funds; the issuance of bonds which are authorized but not yet issued at the time of the transfer, including not yet issued portions or phases of bonds which are authorized; supervision of construction paid for with bond or special tax or assessment proceeds; administration of agreements to acquire public facilities and reimburse advances made to the district; and all other rights and responsibilities with respect to the levies, bonds, funds, and use of proceeds that would have applied to the local agency that created the special tax or special assessment district.

Any other matter

(v) Any other matters necessary or incidental to any of the terms and conditions specified in this section. If a change of organization, reorganization, or special reorganization provides for, or is made subject to one or more of, the terms and conditions specified in this section, those terms and conditions shall be deemed to be the exclusive terms and conditions for the change of organization, reorganization, or special reorganization, and shall control over any general provisions of Part 5 (commencing with Section 57300).

Public utilities

56886.1. When applicable, the terms and conditions of any change of organization or reorganization shall provide public utilities, as defined in Section 216 of the Public Utilities Code, 90 days following the recording of the certificate of completion to make the necessary changes to impacted utility customer accounts.

Improvement districts; exclusion of land

56886.3. If the terms and conditions of any change of organization provide for the formation of a new improvement district, or the annexation or detachment of territory to, or from, an existing improvement district, the commission shall do all of the following:

(a) Exclude any lands proposed to be formed into, or to be annexed to, the improvement district which the commission finds will not be benefited by becoming a part of the improvement district.

(b) Exclude any lands proposed to be detached from an improvement district which the commission finds will be benefited by remaining a part of the improvement district.

Formation of new government; alternative existing agencies

56886.5. (a) If a proposal includes the formation of a district or the incorporation of a city, the commission shall determine whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new

single-purpose local agency is deemed necessary, the commission shall consider reorganization with other single-purpose local agencies that provide related services.

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

Limitation on conditions requiring service outside of sphere of influence

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.

Limitations on conditions for road maintenance or public facility improvements

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.

Local coastal program; amendments

56887. Any change of organization or reorganization may be conditionally approved by a local agency formation commission subject to the certification by the California Coastal Commission of an amendment to the local coastal program of a city or a county.

Application of terms and conditions to city or county; exception for indebtedness or liability

56887.5. If any change of organization or reorganization pertains to city or district territory which is located, in whole or in part, within the boundaries of any city or county, any terms and conditions authorized by Section 56886 may be made applicable to that city or county. However, no indebtedness or liability which is subject to the requirement of an election, under the provisions of Section 18 of Article XVI of the California Constitution, shall be incurred or assumed by any city or county, except as provided in

Section 18 of Article XVI of the California Constitution.

Application of terms and conditions to districts within local agency

56890. Any of the terms and conditions authorized by Section 56886 may be made applicable to all or any part of any city or district or any improvement district within that local agency or any territory annexed to, or detached from, any city or district or improvement district within that local agency.

Article 3. Reconsideration

Written requests for amendment or reconsideration of resolutions

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.

Time tolled

(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.

Next agenda

(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.

Withdrawal

(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.

Final action

(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.

Article 4. Amendment

Changes to resolution; further proceedings

56897. If pursuant to Section 56895, the commission approves any addition, deletion, amendment, or revision of its resolution making determinations, further proceedings for the change of organization or reorganization shall be taken in compliance with that addition, deletion, amendment, or revision. Any provision of this division requiring compliance with the resolution adopted by the commission making determinations shall be deemed to include any addition, deletion, amendment, or revision made to that resolution.

Commission review of impartial analysis of ballot proposition; approval procedure

56898. Whenever the executive officer is required by law to prepare an impartial analysis of a ballot proposition for approval by the commission, the commission may, by regulation, provide a procedure for approval or modification of the executive officer's analysis.

In any event, the analysis shall be prepared and submitted to the commission in sufficient time for the commission to consider and approve or modify the analysis, and submit the analysis to the officials conducting the election not later than the last day for submission of rebuttal arguments. The impartial analysis submitted by the commission shall not exceed 500 words in length and shall include a general description of the affected territory.

**PART 4. CONDUCTING AUTHORITY PROCEEDINGS
FOR CHANGES OF ORGANIZATION OR
REORGANIZATION**

CHAPTER 1. GENERAL

Protest proceedings

57000. (a) After adoption of a resolution making determinations by the commission pursuant to Part 3 (commencing with Section 56650), protest proceedings for a change of organization or reorganization not described in Section 57077 shall be taken pursuant to this part.

By commission

(b) If a proposal is approved by the commission, with or without amendment, wholly, partially, or conditionally, the commission shall conduct proceedings in accordance with this part. The proceedings shall be conducted and completed pursuant to those provisions that are applicable to the proposal and the territory contained in the proposal as it is approved by the commission. If the commission approves the proposal with modifications or conditions, proceedings shall be conducted and completed in compliance with those modifications or conditions.

Delegation of executive officer

(c) Any reference in this part to the commission also means the executive officer for any function that the executive officer will perform pursuant to a delegation of authority from the commission.

Election by city or county

(d) When the commission makes a determination pursuant to this division that will require an election to be conducted, it shall inform the board of supervisors and the elections official of the affected county, or the city council and the elections official of the affected city of that determination and request the board or the city council to direct the elections official to conduct the necessary election.

45 days

(e)(1) When a board of supervisors or a city council is informed by the commission that a determination has been made that requires an election, it shall, within 45 days of receipt of the notification, direct the elections official to conduct the necessary election. The board or council shall do all of the following:

Requirements

- (A) Call, provide for, and give notice of a special election or elections upon that question.
- (B) Fix a date of election.
- (C) Direct the elections official to designate precincts and polling places and to take any other action necessary to call, provide for, and give notice of the special election or elections and to provide for the conduct and the canvass of returns of the election, as determined by the commission.

**Failure to direct elections
official; next established election**

(2) If, within 45 days of receipt of the notification, the board of supervisors or the city council fails to direct the elections official to conduct the election pursuant to paragraph (1), the elections

official shall place the item on the ballot at the next established election date occurring at least 88 days after the date of the notification to the elections official

(3) The 45-day requirements established by this subdivision shall not apply to any application filed with a commission prior to January 1, 2011.

(f) Any provision in this part that requires that an election be called, held, provided for, or conducted shall mean that the procedures specified in subdivisions (d) and (e) shall be followed.

**Failure to complete proceedings;
extension**

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.

Santa Cruz County exception

57001.1. [Repealed by Stats. 2021, Ch. 31]

Notice and date of hearing

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.

Waiver of protest proceedings

(c) If authorized by the commission pursuant to Section 56662 or 56663, a change of organization or reorganization may be approved without notice, hearing, and election.

**Conflicting petitions and
applications**

57003. Once notice is given by the executive officer of the commission pursuant to this chapter, and until proceedings are completed or terminated pursuant to this part, no conflicting petition or resolution of application seeking the change of organization or reorganization of all or part of the territory

described by the notice given by the executive officer shall be filed with, or acted on, by the commission.

**Formation proceedings;
principal act**

57007. Protest proceedings for a district formation shall be conducted by the commission as the conducting authority, and the procedural requirements of this division shall apply and shall prevail in the event of a conflict with the procedural requirements of the principal act of the district proposed to be formed. In the event of a conflict, the commission shall specify the procedural requirements that apply, consistent with the requirements of Section 56100.

Hearings; location

57008. For any proposal initiated by the commission pursuant to subdivision (a) of Section 56375, the commission shall hold a public protest hearing in the affected territory.

**Disclosure of expenditures and
contributions**

57009. Expenditures for political purposes related to proceedings for a change of organization or reorganization that will be conducted pursuant to this part, and contributions in support of or in opposition to those proceedings, shall be disclosed and reported pursuant to Section 56100.1.

CHAPTER 2. NOTICE OF HEARING

**Notice of hearing on proposal by
publication; posting**

57025. (a) The executive officer of the commission shall give notice of the protest hearing to be held on the proposal by publication pursuant to Sections 56153 and 56154 and by posting pursuant to Sections 56158 and 56159.

Mailed notice

(b) The executive officer shall give mailed notice to all landowners owning land within any affected territory, consistent with Sections 56155 to 56157, inclusive.

(c) If the affected territory is inhabited, the executive officer shall also give mailed notice to all registered voters residing within any affected territory, consistent with Sections 56155 to 56157, inclusive.

(d) The executive officer shall also give mailed notice to each affected city, affected district, or affected county, the proponents, if any, and to persons requesting special notice, consistent with Sections 56155 to 56157, inclusive.

(e) In the case of a proposed change of organization or reorganization that would result in the extension of any previously authorized special tax or benefit assessment to the affected territory, the executive officer of the commission shall give mailed notice to each landowner within the affected territory.

Notice; required contents

57026. The notice required to be given by Section 57025 shall contain all of the following information:

(a) A statement of the distinctive short form designation assigned by the commission to the proposal.

(b) A statement of the manner in which, and by whom, proceedings were initiated. However, a reference to the proponents, if any, shall be sufficient where proceedings were initiated by a petition.

(c) A description of the exterior boundaries of the affected territory.

(d) A description of the particular change or changes of organization proposed for each of the subject districts or cities and new districts or new cities proposed to be formed, and any terms and conditions to be applicable. The description may include a reference to the commission's resolution making determinations for a full and complete description of the change of organization or reorganization, and the terms and conditions.

(e) A statement of the reason or reasons for the change of organization or reorganization as set forth in the proposal submitted to the commission.

(f) A statement of the time, date, and place of the protest hearing on the proposed change of organization or reorganization.

(g) If the affected territory is inhabited and the change of organization or reorganization provides for the submission of written protests, a statement that any owner of land within the territory, or any registered voter residing within the territory, may file a written protest against the proposal with the executive officer of the commission at any time prior to the conclusion of the hearing by the commission on the proposal.

(h) If the affected territory is uninhabited and the change of organization or reorganization provides for submission of written protests, a statement that any owner of land within the territory may file a written protest against the proposal with the executive officer of the commission at any time prior to the conclusion of the hearing by the commission on the proposal.

CHAPTER 3. CONDUCT OF HEARING

Date and time of hearing

57050. (a) The protest hearing on the proposal shall be held by the commission on the date and at the time specified in the notice given by the executive officer. The hearing may be continued from time to time but not to exceed 60 days from the date specified for the hearing in the notice.

Continuance

Summary of resolution; protests, objections and evidence

(b) At the protest hearing, prior to consideration of protests, the commission's resolution making determinations shall be summarized. At that hearing, the commission shall hear and receive any oral or written protests, objections, or evidence that is made, presented, or filed. Any person who has filed a written protest may withdraw that protest at any time prior to the

conclusion of the hearing.

Written protests; requirements

57051. At any time prior to the conclusion of the protest hearing in the notice given by the executive officer, but not thereafter, any owner of land or any registered voter within inhabited territory that is the subject of a proposed change of organization or reorganization, or any owner of land within uninhabited territory that is the subject of a proposed change of organization or reorganization, may file a written protest against the change of organization or reorganization. Each written protest shall state whether it is made by a landowner or registered voter and shall include the same information that is required in a petition for a change of organization or reorganization, as specified in Section 56704. Protests may be made on behalf of an owner of land by an agent authorized in writing by the owner to act as agent with respect to that land. Protests may be made on behalf of a private corporation which is an owner of land by any officer or employee of the corporation without written authorization by the corporation to act as agent in making that protest.

Each written protest shall show the date that each signature was affixed to the protest. All signatures without a date or bearing a date prior to the date of publication of the notice shall be disregarded for purposes of ascertaining the value of any written protests.

Conclusion of hearing; value of written protests filed and not withdrawn

57052. Upon conclusion of the protest hearing, the commission shall determine the value of written protests filed and not withdrawn. The value of written protests shall be determined in the same manner prescribed in Sections 56704, 56707, 56708, and 56710 for determining the sufficiency of petitions filed with the commission.

CHAPTER 4. RESOLUTION OF CONDUCTING AUTHORITY

Findings and actions by conducting authority

57075. In the case of registered voter districts or cities, where a change of organization or reorganization consists solely of annexations, detachments, the exercise 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, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section 57002.

(a) In the case of inhabited territory, take one of the following

actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization subject to confirmation by the registered voters residing within the affected territory if written protests have been filed and not withdrawn by either of the following:

(A) At least 25 percent, but less than 50 percent, of the registered voters residing in the affected territory.

(B) At least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory.

(3) Order the change of organization or reorganization without an election if paragraphs (1) and (2) of this subdivision do not apply.

(b) In the case of uninhabited territory, take either of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization if written protests have been filed and not withdrawn by owners of land who own less than 50 percent of the total assessed value of land within the affected territory.

Los Angeles County; written protests; adoption of resolution

57075.5. [Repealed by Stats. 2021, Ch. 31]

Landowner-voter districts; findings and actions by conducting authority

57076. In the case of landowner-voter districts, where a change of organization or reorganization consists solely of annexations or detachments, the exercise 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, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section 57002:

(a) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(b) Order the change of organization or reorganization subject to an election within the affected territory if written protests that have been filed and not withdrawn represent either of the following:

(1) Twenty-five percent or more of the number of owners of land who also own 25 percent or more of the assessed value of land within the territory.

(2) Twenty-five percent or more of the voting power of landowner voters entitled to vote as a result of owning property

within the territory.

(c) Order the change of organization or reorganization without an election if written protests have been filed and not withdrawn by less than 25 percent of the number of owners of land who own less than 25 percent of the assessed value of land within the affected territory.

**Change of organization –
disincorporation or
incorporation**

57077. If a change of organization consists of an incorporation, disincorporation, or consolidation of two or more cities, or if a reorganization includes an incorporation, disincorporation, or consolidation of two or more cities, the commission shall order the change of organization or reorganization subject to confirmation of the voters. A protest proceeding shall not be conducted.

**Change of organization -
dissolution**

57077.1 (a) If a change of organization consists of a dissolution, the commission shall order the dissolution without confirmation of the voters, except if the proposal meets the requirements of subdivision (b), the commission shall order the dissolution subject to confirmation of the voters.

Voter approval requirements

(b) The commission shall order the dissolution subject to the confirmation of the voters as follows:

(1) If the proposal was not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

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

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

(B) In the case of a landowner-voter district, that the territory is uninhabited and that protests have been signed by at least 25 percent of the number of landowners within the affected territory owning at least 25 percent of the assessed value of land within the territory.

(2) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

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

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within

the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If a proposal was initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) Notwithstanding subdivisions (a) and (b) and Sections 57102 and 57103, if a change of organization consists of the dissolution of a district that is consistent with a prior action of the commission pursuant to Section 56378, 56425, or 56430, the commission may do either of the following:

(1) If the dissolution is initiated by the district board, immediately approve and order the dissolution without an election or protest proceedings pursuant to this part.

(2) If the dissolution is initiated by an affected local agency, by the commission pursuant to Section 56375, or by petition pursuant to Section 56650, order the dissolution after holding at least one noticed public hearing, and after conducting protest proceedings in accordance with this part. Notwithstanding any other law, the commission shall terminate proceedings if a majority protest exists in accordance with Section 57078. If a majority protest is not found, the commission shall order the dissolution without an election.

Change of organization - consolidation

57077.2 (a) If the change of organization consists of a consolidation of two or more districts, the commission shall order the consolidation without confirmation by the voters, except that if the proposal meets the requirements of subdivision (b), the commission shall order the consolidation subject to confirmation of the voters.

Voter approval requirements

(b) The commission shall order the consolidation subject to the confirmation of the voters as follows:

(1) If the commission has approved a proposal submitted by resolution of a majority of the members of the legislative bodies of two or more local agencies pursuant to section 56853, and the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within the territory subject to the consolidation who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of

residing within, or owning land within, the territory.

(B) In the case of a landowner-voter district, the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within the territory subject to the consolidation, owning at least 25 percent of the assessed value of land within the territory.

(2) If the commission has approved a proposal not initiated by the commission and if a subject agency has not objected by resolution to the proposal, written protests have been submitted that meet the requirements specified in subparagraph (A) or (B) of paragraph (1).

(3) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

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

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

(B) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(4) If the commission has approved a proposal initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

Reorganization

57077.3 (a) If a proposal consists of a reorganization not described in Section 57075, 57076, 57077, 57077.4, or 57111, the commission shall order the reorganization without confirmation by the voters except that if the reorganization meets the requirements of subdivision (b), the commission shall order the reorganization subject to confirmation of the voters.

Voter approval requirements

(b) The commission shall order the reorganization subject to confirmation of the voters as follows:

(1) If the commission has approved a proposal submitted by resolution of a majority of the members of the legislative bodies of two or more local agencies pursuant to Section 56853, and the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

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

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

(B) In the case of a landowner-voter district, that the territory is uninhabited, and that protests have been signed by at least 25 percent of the number of landowners within the affected territory, owning at least 25 percent of the assessed value of land within the territory.

(2) If the commission has approved a proposal not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, a written protest has been submitted that meets the requirements specified in subparagraph (A) or (B) of paragraph (1).

(3) If the commission has approved a proposal not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

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

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

(B) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(4) If the commission has approved a proposal initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) This section shall not apply to reorganizations governed by Sections 56853.5 and 56853.6.

**Change of organization
dissolution and annexation**

57077.4 (a) If a reorganization consists of the dissolution of one or more districts and the annexation of all or substantially all the territory to another district not initiated pursuant to Section 56853 or by the commission pursuant to Section 56375, the commission shall order the reorganization without confirmation by the voters except that if the reorganization meets the requirements of subdivision (b), the commission shall order the reorganization subject to confirmation by the voters.

Voter approval requirements

(b) The commission shall order the reorganization subject to confirmation by the voters as follows:

(1) In the case of inhabited territory, protests have been signed by either of the following:

(A) At least 25 percent of the number of landowners within any subject agency 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 subject agency within the affected territory.

(2) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If the reorganization has been initiated by the commission pursuant to Section 56375, protests have been submitted that meet the requirements of Section 57113.

Majority protest; abandonment of proposed changes

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.

Annexation of distinct communities

57078.5. If the affected territory with respect to a proposed annexation to a city consists of (a) territories that are not contiguous to one another and (b) two or more distinct communities, as defined in the county general plan, the census unincorporated places listing, or other commonly recognized community designation, as determined by the commission, and any one community has more than 250 registered voters, any protest filed pursuant to Section 57078 shall be accounted separately for that community, unless the annexation is proposed pursuant to Section 56375.3.

57080. [Repealed by Stats. 2013, Ch. 138]

57081. [Repealed by Stats. 2012, Ch. 62]

Merger of subsidiary districts; exemption from Revenue and Taxation Code sections 99 and 99.01

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

- (a) Continue providing the services of the subsidiary district at the same level to those areas outside the city's boundaries, but within the territory of the subsidiary district, as the services provided for territory within the city limits.
- (b) Assume all assets of the subsidiary district.
- (c) Assume all liabilities of the subsidiary district.
- (d) Assume all ad valorem taxes, other accounts receivable, and other revenues of the subsidiary district.

Termination of proceedings; new proposal, waiting period

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.

Waiver of requirements

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

CHAPTER 5. RESOLUTION FOR ORDER SUBJECT TO ELECTION

Contents of resolution

57100. Any commission resolution ordering a change of organization or a reorganization shall contain all of the following:

Type

(a) A statement that the action is being taken pursuant to this division.

Description

(b) A statement of the type of change of organization or reorganization being acted on.

Names

(c) A description of the exterior boundaries of the territory for each change of organization or reorganization approved by the commission.

Reasons

(d) The name or names of any new or consolidated city or district.
(e) All of the terms and conditions upon the change of organization or reorganization approved by the commission.

Roll utilized

(g) A statement as to whether the regular county assessment roll or another assessment roll will be utilized.
(f) The reasons for the change of organization or reorganization

Bond indebtedness	<p>(h) A statement that the affected territory will or will not be taxed for existing general bonded indebtedness of any agency whose boundaries are changed.</p> <p>(i) Any other matters that the commission deems material.</p>
City annexation of Williamson Act land; finding regarding succession	57101. With respect to any proceeding that would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), for which the commission has determined pursuant to Section 56754 that the city may exercise its option to not succeed to the contract, the commission shall include within its resolution ordering the annexation of the territory a finding regarding whether the city intends to not succeed to the contract.
Resolution ordering dissolution; findings	<p>57102. (a) In any resolution ordering a dissolution, the commission shall make findings upon one or more of the following matters:</p> <p>(1) That the corporate powers have not been used, as specified in Section 56871, and that there is a reasonable probability that those powers will not be used in the future.</p> <p>(2) That the district is a registered-voter district and is uninhabited.</p> <p>(3) That the board of directors of the district has, by unanimous resolution, consented to the dissolution of the district.</p> <p>(4) That the commission has authorized, pursuant to subdivision (a) of Section 57077.1, the dissolution of the district without an election.</p>
Without election	(b) If the commission makes any of the findings specified in subdivision (a), the commission may, except as otherwise provided in Section 57103, order the dissolution of the district without election.
Resolution ordering dissolution; hospital districts	57103. Any order in any resolution adopted by the commission on or after January 1, 1986, ordering the dissolution of a local hospital district, organized pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, is subject to confirmation by the voters unless dissolution of the local hospital district meets the requirements set forth in subdivision (c) of Section 57077.1.
Merger; all territory within city	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.
Subsidiary district; 70% land	57105. An order establishing a district as a subsidiary district may

area and voters within city

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.

Date to determine boundaries for merger or subsidiary district

57106. For the purposes of Sections 57104 and 57105, the boundaries shall be determined as of the date of adoption of the order of the commission. Any then pending but uncompleted proceedings for changes in the boundaries of the city or district shall be disregarded.

Resolution ordering merger or subsidiary district

57107. (a) In any resolution ordering a merger or establishment of a subsidiary district, the commission shall approve the change of organization without an election except that if the change of organization meets the requirements of subdivision (b), the commission shall order the change of organization subject to confirmation of the voters.

(b) The commission shall order the change of organization subject to confirmation of the voters within any subject agency as follows:

(1) If the proposal was not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

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

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

(B) In the case of a landowner-voter district, that the territory is uninhabited and that protests have been signed by at least 25 percent of the number of landowners within the affected territory owning at least 25 percent of the assessed value of land within the territory.

(2) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written

Voter approval requirements

protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within a territory.

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

(B) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If the proposal was initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) Notwithstanding subdivision (a) or (b), the commission shall not order the merger or establishment of a subsidiary district without the consent of the subject city.

Petition requesting election on merger or subsidiary district

57108. At any time prior to the conclusion of the protest hearing by the commission ordering the district to be merged with or established as a subsidiary district of a city, a petition may be filed with the executive officer referring, by date of adoption, to the commission's resolution making determinations and requesting that any election upon that question be called, held, and conducted only within that district. Any petition so filed shall be immediately examined and certified by the executive officer by the same method and in the same manner as provided in Sections 56707 to 56711, inclusive, for the examination of petitions by the executive officer.

The commission shall forward the proposal to the affected city, and the affected city shall call, hold, and conduct any election upon the question of a merger or the establishment of a subsidiary district only within the district to be merged or established as a subsidiary district, if the executive officer certifies that any petition so filed was signed by either of the following:

Signatures

(a) In the case of a registered voter district, by not less than 10 percent of the registered voters of the district.

(b) In the case of a landowner-voter district, by not less than 10 percent of the number of landowner-voters within the district who also own not less than 10 percent of the assessed value of land within the district.

Election on establishment of

57109. At any time prior to the completion of the protest hearing

**subsidiary district or merger;
petition**

by the commission and the adoption of a resolution ordering a reorganization that includes an incorporation and the establishment of a subsidiary district or a merger, a petition may be filed with the executive officer referring, by date of adoption, to the commission's resolution making determinations and requesting that a separate election be called, held, and conducted only within that district on the establishment of the subsidiary district or the merger. That election shall be conducted at the same time as the election on the incorporation. Any petition so filed shall be immediately examined and certified by the executive officer by the same method and in the same manner as provided in Sections 56707 to 56711, inclusive, for the examination of petitions by the executive officer. The commission shall forward the proposal to the principal county and the principal county shall call, hold, and conduct any election upon the question of a merger or the establishment of a subsidiary district only within the district to be merged or established as a subsidiary district, if the executive officer certifies that any petition so filed was signed by either of the following:

Signatures

(a) In the case of a registered voter district, by not less than 10 percent of the registered voters of the district.

(b) In the case of a landowner-voter district, by not less than 10 percent of the number of landowner-voters within the district who also own not less than 10 percent of the assessed value of land within the district.

**Resolution ordering election on
subsidiary district; ballot
questions**

57110. In any resolution approving, subject to the confirmation of the voters, both an original and an alternative proposal as determined by the commission pursuant to paragraph (2) of subdivision (a) of Section 56863, the ballot at the election shall enable those voting to do one of the following:

(a) Disapprove both proposals.

(b) Approve either the original proposal or the alternative proposal.

**Resolution confirming election
on subsidiary district**

The board of supervisors shall adopt a resolution confirming the proposal which was favored by a majority of votes cast at the election. Where both proposals were favored by a majority of the votes cast, the board of supervisors shall adopt a resolution confirming the proposal which received the greater number of votes.

Confirmation election

57111. In any reorganization proceeding where the component changes of organization would not individually require a confirmation election, no confirmation election shall be required to approve the reorganization.

Termination by election; new

57112. (a) Except as otherwise provided in subdivision (b), if

proposal waiting period

proceedings are terminated by failure of a majority of voters to confirm a resolution ordering merger or establishment of a subsidiary district, no new proposal for a merger or establishment of a subsidiary district involving the same district may be filed with the commission within two years of the date of the certification adopted by the commission, pursuant to Section 57179.

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

Proposals initiated by commission

57113. Notwithstanding Section 57102, 57108, or 57111, for any proposal that was 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:

Voter approval requirements

(a) In the case of inhabited territory, protests have been signed by either of the following:

(1) At least 10 percent of the number of landowners within any subject agency within the affected territory who own at least 10 percent of the assessed value of land within the territory.

However, if the number of landowners within a subject agency is less than 300, the protests shall be signed by at least 25 percent of the landowners who own at least 25 percent of the assessed value of land within the territory of the subject agency.

(2) At least 10 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory. However, if the number of voters entitled to vote within a subject agency is less than 300, the protests shall be signed by at least 25 percent of the voters entitled to vote.

(b) In the case of a landowner-voter district, the territory is uninhabited and protests have been signed by at least 10 percent of the number of landowners within any subject agency within the affected territory, who own at least 10 percent of the assessed value of land within the territory. However, if the number of landowners entitled to vote within a subject agency is less than 300, protests shall be signed by at least 25 percent of the landowners entitled to vote.

57114. [Repealed by Stats. 2012, Ch. 62]

Resolution referred to election; requirements

57115. Any resolution of the commission forwarding a change of organization or a reorganization for confirmation by the voters shall, in addition to any applicable requirements contained in Sections 57100 to 57111, inclusive, do all of the following:

(a) Designate the affected territory within which the special election or elections shall be held.

(b) Provide for the question or questions to be submitted to the voters.

(c) Specify any terms or conditions provided for in the change of organization or reorganization.

(d) State the vote required for confirmation of the change of organization or reorganization.

Resolution calling for election on incorporation; contents

57116. In addition to any other requirements, any resolution of the commission ordering an incorporation subject to an election shall do all of the following:

Officers

(a) Provide for the election of the officers of the proposed city required to be elected, except as provided in Section 56724 and except as to officers designated as appointive, pursuant to Section 56723.

By district, from district, or at large

(b) Provide for the election on the question of whether members of the city council in future elections are to be elected by district, from district, or at large.

Form of government

(c) If the petition so requests, state that the voters may express a preference as to whether or not the city shall operate under the city manager form of government, the ballot question being for or against the city manager form of government.

Names

(d) If the petition so requests, state that the voters may express their preference between names for the new city.

Resolution calling for election on city consolidation; contents

57117. In addition to any other requirements, any resolution of the commission ordering a consolidation of cities subject to an election shall do all of the following:

(a) Provide for the election of officers of the successor city required to be elected.

(b) State that the voters may express their preference as to the name of the successor city.

Resolution calling for election; where held

57118. In any resolution ordering a change of organization or reorganization subject to the confirmation of the voters, the commission shall determine that an election will be held:

(a) Within the territory of each city or district ordered to be incorporated, formed, disincorporated, dissolved or consolidated.

(b) Within the entire territory of each district ordered to be merged with or established as a subsidiary district of a city, or both within the district and within the entire territory of the city outside the boundaries of the district.

(c) If the executive officer certifies a petition pursuant to Section 57108 or 57109, within the territory of the district ordered to be merged with or established as a subsidiary district of a city.

(d) Within the territory ordered to be annexed or detached.

(e) If ordered by the commission pursuant to Section 56876 or 56759, both within the territory ordered to be annexed or detached

and within all or the part of the city or district which is outside of the territory.

(f) If the election is required by Section subdivision (b) of Section 57077.4, separately within the territory of each affected district that has filed a petition meeting the requirements of subdivision (b) of Section 57077.4.

Election; where held

57119. Notwithstanding Section 57118, any resolution ordering a special reorganization shall require the principal county to call an election in both of the following territories:

(a) The territory ordered to be detached from the city.

(b) The entire territory of the city from which the detachment is ordered to occur.

Incorporation or formation; appropriations limit

57120. In addition to any other requirements, any resolution of the commission ordering a change of organization or reorganization that includes a formation or an incorporation subject to an election shall provide for the establishment of the appropriations limit determined pursuant to Section 56811 or 56812.

CHAPTER 6. ELECTIONS

Special elections; subject to elections code

57125. (a) Special elections called within all or any part of a city or registered-voter district shall be governed by the general election provisions and the local election provisions of the Elections Code, so far as they may be applicable, relating to the qualifications of voters, the manner of voting, the form of the ballot, the duties of precinct and election officers, the canvassing of returns, and all other particulars. If the commission determines that there is any inconsistency:

(1) Between the general elections provisions and the local elections provisions of the Elections Code, the local elections provisions shall control.

(2) Between this division and the Elections Code, this division shall control.

(b) Notwithstanding any other provision of law, special elections pursuant to this division may be conducted wholly by mailed ballot on any date other than an established election date authorized by the elections official of the county or counties affected by the use of mailed ballots.

Special elections; by mailed ballot

Special elections; landowner-voter districts; principal act

57126. (a) Special elections called within all or any part of a landowner-voter district shall be governed by the general elections provisions of the principal act, so far as they may be applicable, relating to the qualifications of voters, the manner of voting, the form of the ballot, the duties of precinct and election officers, the

Inconsistencies

canvassing of returns, and all other particulars. To the extent of any inconsistency between the provisions of this division and the principal act as determined by the commission, the provisions of this division shall control.

Special election by mailed ballot

(b) Notwithstanding any other provision of law, special elections held pursuant to this division may be conducted wholly by mailed ballot on any date other than an established election date authorized by the elections official of the county or counties affected by the use of mailed ballots.

Board of supervisors, special election

57127. If the board of supervisors calls any special election within all or any part of any district, any references in the principal act to the board of directors of the district and to the clerk or secretary of the district shall be deemed to mean the board of supervisors and the elections official, respectively.

Landowner-voter district election; exception for qualification

57127.5. If special elections are called upon the same question or questions within all or any part of any landowner-voter district, and any city or registered-voter district, the provisions of Section 57125 shall apply, except that, as to the landowner-voter district, the provisions of its principal act shall govern the qualifications of landowner-voters, the number of votes which each landowner-voter is entitled to cast, the manner of voting, and the form of the ballot.

Election called for reorganization with overlapping cities or districts

57128. Where any special election or elections are called upon the question of confirmation of an order for a reorganization and the areas within which the election or elections are called contain overlapping territory of two or more cities or districts, within all of the overlapping territory the election precincts, polling places, voting booths, and ballot boxes shall, in every case, be the same and there shall be only one precinct board or set of election officers for each precinct.

Records or certified copies; delivery; return

57129. Where any records of a city or a district are required for the purpose of calling, holding, or conducting any special election called by the board of supervisors or city council pursuant to this division, those records or certified copies of those records shall be delivered, upon request, to the elections official by the city or district officer having custody of the records or copies and shall be returned to that officer immediately after the canvass of the election returns. All other election records, documents, instruments, and election supplies, including, but not limited to, rosters, ballots, and tally sheets, shall be retained or disposed of by the elections official in the manner provided by law.

Notice of election by elections

57130. The elections official shall cause notice of each change of

official	organization or reorganization election to be given by publication, posting, and mailing as provided in Chapter 2 (commencing with Section 57025) of Part 4.
Notice of election; contents	57131. The notice of election required to be given by Section 57130 shall contain all of the matters specified in Section 57115.
Election date	57132. The election on the question of the change of organization or reorganization shall be called pursuant to Section 57000 and held on the next established election date pursuant to Section 1000 of the Elections Code, or Section 1500 of the Elections Code in the case of an election conducted solely by mailed ballot, occurring at least 88 days after the date upon which the resolution calling the election was adopted.
Special reorganization elections; when held	57132.5. Notwithstanding Section 57132, the election on the question of a special reorganization shall be called pursuant to Section 57000 and held at the next regular primary or general election occurring in an even-numbered year at least 88 days after the date on which the resolution calling the election was adopted.
Form for questions to be submitted for election	57133. The question or questions to be submitted at any special election or elections called pursuant to this part shall be in substantially the following form:
Incorporation	(a) For an incorporation: "Shall the order adopted on ____, 20 __, by the Local Agency Formation Commission of ____ County ordering the incorporation of the territory described in the order and designated in the order as ____ (insert the distinct short form designation previously assigned by the commission) be confirmed?"
Annexation	(b) For an annexation: "Shall the order adopted on ____, 20 __, by the ____ (insert Local Agency Formation Commission) ordering the annexation to ____ (insert city or district) of the territory described in that order and designated as ____ (insert the short form designation previously assigned by the commission) be confirmed?"
Detachment	(c) For a detachment: "Shall the order adopted on ____, 20 __, by the ____ (insert Local Agency Formation Commission) ordering the detachment from the ____ (insert city or district) of the territory described in the order and designated in the order as ____ (insert the short form designation previously assigned by the commission) be confirmed?"
City consolidation	(d) For a city consolidation: "Shall the order adopted on ____, 20 __, by the ____ (insert Local Agency Formation Commission) of the County of ____ (insert name of city) ordering the consolidation of the Cities of ____ (insert names of all cities ordered consolidated) into a single city known as the City of ____

	be confirmed?"
City disincorporation	(e) For a disincorporation: "Shall the order adopted on ____, 20__, by the Local Agency Formation Commission of the County of ____ ordering the disincorporation of the City of ____ be confirmed?"
Reorganization	(f) For a reorganization: "Shall the order adopted on ____, 20 __, by the ____ (insert Local Agency Formation Commission) ordering a reorganization affecting the ____ (insert names of all affected cities or districts) and providing for ____ (insert list of all changes of organization or new cities proposed to be incorporated or districts to be formed) be confirmed?"
District dissolution	(g) For a district dissolution: "Shall the order adopted on ____, 20 __, by the Local Agency Formation Commission of the County of ____ ordering the dissolution of the ____ district be confirmed?"
District consolidation	(h) For a district consolidation: "Shall the order adopted on ____, 20 __, by the Local Agency Formation Commission of the County of ____ ordering the consolidation of ____ (insert the names of all districts ordered consolidated) into a single district known as the ____ District be confirmed?"
Merger	(i) For a merger: "Shall the order adopted on ____, 20 __, by the Local Agency Formation Commission of the County of ____ ordering the merger of the ____ District with the City of ____ be confirmed?"
Subsidiary district	(j) For establishment of a subsidiary district: "Shall the order adopted on ____, 20 __, by the Local Agency Formation Commission of the County of ____ ordering the ____ District established as a subsidiary district of the City of ____ be confirmed?"
District formation	(k) For a district formation, use form of question under principal act of district being formed. If none, use substantially the following form: "Shall the order adopted on ____, 20 __, by the Local Agency Formation Commission of ____ County ordering the formation of a district in the territory described, known as ____, be approved?"
Terms and conditions in ballot question	57134. If the change of organization or reorganization has been ordered subject to any terms and conditions, there shall be added to the end of the questions set forth in Section 57133 words substantially as follows: "Subject to the terms and conditions specified in the order."
Effect of terms and conditions included in ballot question	57135. (a) If any of the terms and conditions have the effect of imposing or increasing liability for payment of (1) taxes or assessments to be levied and collected, (2) service charges, rentals, or rates to be fixed and collected, or (3) both, upon or within all or any part of the territory affected by the proposed change of

organization or reorganization, the question shall contain a very brief summary of the purpose, nature, and extent of the liability and shall refer to the order ordering the change of organization or reorganization for particulars. The legislative body may include in the question a summary of any of the other terms and conditions.

(b) No reference need be made to any liability for payment of any of the following to be imposed for the usual and ordinary support, management, and operation of any district:

(1) Annual taxes or assessments.

(2) Ordinary service charges, rentals, or rates.

(3) Both taxes or assessments and service charges, rentals, or rates.

Summary of forms

(c) Where a summary is included in a question, there shall be added to the clause set forth in Section 57134 words substantially as follows:

"Such terms and conditions including (set forth very brief summary), all as more particularly described and set forth in the order."

Member district; ballot question on non-receipt or termination of service

57136. This section shall apply only to changes of organization and reorganizations made by, or with respect to, a member district. If a change of organization or reorganization adding territory to a member district will not result in the additional territory being entitled to receive or be furnished with any new or additional governmental or proprietary service or commodity by the parent district, the question submitted to the voters shall so indicate. If a change of organization or a reorganization removing territory from a member district will result in the termination of any existing entitlement of the territory to receive, or be furnished with, any governmental or proprietary service or commodity from the parent district, the question submitted to the voters shall so indicate.

Voting squares; "yes" and "no"

57137. On the ballot opposite each question and to its right, the words "Yes" and "No" shall be printed on separate lines with voting squares.

Merger and establishment of subsidiary district; form of questions

57138. If the commission orders both a merger and the establishment of a subsidiary district, questions on each matter shall be printed on the ballot, one above the other. Immediately preceding the first question, there shall be printed in the words "Vote on both questions."

Consolidation and district formation election; legislative body and officers per principal act

57139. If a special election or elections is called upon an order of reorganization which provides for a consolidation or the formation of a new district, or both, or upon an order of consolidation, members of the legislative body and other officers of the consolidated district or the new district, as the case may be, shall

be selected in the manner provided by the principal act. If the principal act or the terms and conditions of the reorganization or consolidation provide for the election of the officers or members, they shall be nominated in the manner provided in the principal act and shall be voted upon at the special election or elections upon the question of confirming the order of reorganization or consolidation. If the order of reorganization or consolidation is confirmed at the special election or elections, the officers or members of the legislative body of the consolidated district or the new district, as the case may be, who are elected at the election or elections shall become the officers or members of the legislative body of the consolidated district or new district.

Voter entitlements at election

57140. Where a special election is called upon the question of confirming an order for a change of organization or a reorganization, each person entitled to vote as a result of residing or owning land within the territory in which the election is called shall be entitled to ballots and votes as follows:

(a) In the case of cities or registered-voter districts, to one ballot and one vote.

(b) In the case of landowner-voter districts, to the number of ballots and votes authorized by the principal act of the district.

Voter entitlements; merger or subsidiary district election

57141. Where a special election or elections are called upon the question of confirming an order for a merger or the establishment of a subsidiary district, or both, each person entitled to vote as a result of residing or owning land within the territory within which the election is called shall be entitled to ballots and votes as follows:

(a) Where the election is called only within the district:

(1) In the case of a registered-voter district, each registered voter shall be entitled to one ballot and one vote.

(2) In the case of a landowner-voter district, each landowner-voter shall be entitled to the number of ballots and votes authorized by the principal act of the district.

(b) Where one election is called within the district and another election is called within the territory of the city outside the boundaries of the agency:

(1) In the case of the city, each registered voter within the territory of the city outside the boundaries of the district shall be entitled to one city ballot and one vote on the question.

(2) In the case of the district, each person entitled to vote as a result of residing or owning land within the district shall be entitled to the number of district ballots and votes authorized by the principal act of the district.

Where separate elections are called within both the district and the territory of the city outside the boundaries of the district,

separate forms of city and district ballots, printed on different colors of paper, shall be provided. The city and district ballots shall be separately canvassed.

**Voter entitlements;
reorganization election**

57142. Where a special election is called upon the question of confirming an order of reorganization, each person entitled to vote as a result of residing or owning land within the territory within which the election is called shall be entitled to ballots and votes as follows:

(a) Each person who qualifies only as a registered voter of any city or registered voter district, regardless of the number of registered voters, is entitled to one ballot and one vote.

(b) Each person who qualifies only as a landowner-voter of any subject district, regardless of the number of landowner voters, is entitled to the number of ballots and votes authorized by the principal act for one such district; if there is more than one such district, that person upon declaration made to the precinct or election officers shall be furnished with a ballot or ballots for the particular district designated by that person.

(c) Each person who qualifies both as a registered voter and as a landowner-voter of any of the subject agencies, may at his or her option vote either as a registered voter or as a landowner-voter, but not both. That person, upon declaration made to the precinct or election officers, shall be furnished with a ballot or ballots for the particular city or district designated by that person.

**Computation of votes determined
from election by landowner-
voters and registered voters;
merger, subsidiary district, or
reorganization**

57143. In any special election or elections called upon the question of confirmation of an order for merger or the establishment of a subsidiary district or for a reorganization, where the results of the election or elections are to be determined from votes of both landowner-voters and registered voters, the votes of the landowner-voters shall be computed and equated with the votes of the registered voters in the following manner:

(a) First, the per capita assessed value of land for each registered voter within the county within which the elections are held shall be determined to the nearest even dollar by dividing the total assessed value of land within the county, as shown on the last equalized assessment roll of the county, by the total number of voters who were registered in the county at the close of registration, as provided in the Elections Code, next preceding the date of the election. If any landowner-voter district is located in more than one county, the per capita assessed value for each county shall be multiplied by a percentage, to the nearest one-tenth of 1 percent, those percentages being determined by dividing the total area of the district into the area of those portions of the district located within that county; the resulting products of those multiplications shall then be added and the total, to the nearest

even dollar, shall be deemed to be the per capita assessed value for all the counties.

(b) Second, if any such landowner-voter district does not use the county assessment roll for the purposes of levying and collecting district assessments or taxes, the per capita assessed value of land for each registered voter within the county shall be corrected by multiplying the per capita assessed value by a correction factor determined as follows: The total assessed valuation of all lands within the district, as shown upon the last equalized assessment roll or book of the district, shall be divided by the corresponding total assessed valuation of all lands within the district, as shown upon the last equalized assessment roll of the county, and the quotient, expressed to the nearest of two decimal places, shall represent the correction factor. If any landowner-voter district is located in more than one county, a correction factor shall be determined, in the manner above provided, for each such county covering all those portions of the district which are located within the county; the correction factor for each county shall then be multiplied by a percentage, to the nearest one-tenth of 1 percent, that percentage being determined by dividing the total area of the district into the area of those portions of the district located within that county; the resulting products of those multiplications shall then be added and the total, to the nearest of two decimal places, shall be deemed to be the correction factor for all the counties.

(c) Third, the corrected per capita assessed value, determined to the nearest even dollar, shall then be adjusted by dividing it by the number of dollars required for a single vote by a landowner-voter, as specified in the principal act determining the landowner-voter's right to vote.

(d) Fourth, the total number of votes cast by landowner-voters for and against the question shall be divided by the corrected and adjusted per capita assessed value and the quotients, to the nearest whole figures, shall be deemed to be the number of votes of landowner-voters which shall be equated with the votes of the registered-voters of any city or registered voter district, cast for and against the question.

Written notification of election call; transmission by certified mail; contents; analysis of proposed changes; notice of availability of copy of proposition

57144. Within five days after a special election is called pursuant to this part, the executive officer shall submit to the commission, for its approval or modification, an impartial analysis of the proposed incorporation or change of organization.

The impartial analysis shall not exceed 500 words in length in addition to a general description of the boundaries of the territory affected.

The commission shall approve or modify the analysis and submit the analysis to the elections official no later than the last day for submission of rebuttal arguments.

Immediately below the impartial analysis there shall be printed in no less than 10-point bold type a legend substantially as follows:

"The above statement is an impartial analysis of Proposition _____. If you desire a copy of the proposition, please call the elections official's office at (insert telephone number) and a copy will be mailed at no cost to you."

Written argument for or against question to be submitted to voters;

57145. (a) The legislative body of any affected agency, or any member or members of the legislative body of any affected agency authorized by it, or any individual voter or association of citizens entitled to vote on the change of organization or reorganization, or any combination of those voters and association of citizens may file a written argument for, or a written argument against, the question to be submitted to the voters.

Form

Arguments shall not exceed 300 words in length and shall be filed with the elections official no later than the last day for submission of arguments specified by Section 57146.

(b) If more than one argument for or more than one argument against the proposal is filed with the elections official within the time prescribed in Section 57145, the elections official shall select one of the arguments for printing and distribution to the voters.

Selection of arguments

In selecting the arguments, the elections official shall give preference and priority in the order named to the following arguments:

(1) The legislative body of an affected agency or any authorized member or members of the legislative body.

(2) Individual voters or association of citizens or a combination of voters and associations.

Deadline for submission or arguments for or against measure; notice; contents

57146. (a) On the basis of the time reasonably necessary to prepare and print the arguments, analysis, and sample ballots for the election, the elections official shall fix and determine a reasonable date prior to the election after which no arguments for or against the measure may be submitted for printing and distribution to the voters. Notice of the date fixed shall be published in accordance with Section 56153 in a newspaper of general circulation which is circulated in the affected territory. Arguments may be changed until and including the date fixed by the elections official.

(b) The notice shall contain all of the following information:

(1) A statement of the proposition to be voted on and a general description of the boundaries of the affected territory.

(2) An invitation to any registered voter or association of citizens entitled to vote on the proposal to submit and file with the elections official for printing and distribution in the ballot pamphlet, an argument for or an argument against the proposal.

- (3) The date of the election.
- (4) A statement that only one argument for and one argument against will be selected and printed in the ballot pamphlet.
- (5) A statement that arguments shall not exceed 300 words in length and shall be accompanied by not more than five signatures.

Rebuttal arguments

57147. Section 9167 of the Elections Code applies to the preparation and submittal of rebuttal arguments.

Ballot pamphlet; printing and mailing to each voter

57148. (a) The elections official shall cause a ballot pamphlet concerning the proposal to be printed and mailed to each voter entitled to vote on the question.

Contents

The ballot pamphlet shall contain all of the following information in the order prescribed:

- (1) The impartial analysis of the proposition prepared by the commission.
- (2) One argument for the proposal, if any.
- (3) One rebuttal to the argument for the proposal, if any.
- (4) One argument against the proposal, if any.
- (5) One rebuttal to the argument against the proposal, if any.

A copy of the complete text of the proposition shall be made available by the elections official, to any voter upon request.

Canvass of ballots

57149. The canvass of ballots cast at any election held pursuant to this division shall be conducted pursuant to Sections 15300 to 15309, inclusive, of the Elections Code. The elections official shall immediately, upon the completion of any canvass, report the results to the executive officer of the local agency formation commission.

Payment of expenses

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:

Annexation or detachment

(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.

Incorporation

(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.

Dissolution

(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.

Consolidation

(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.

Reorganization

(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.

CHAPTER 7. CONFIRMATION OF ELECTION RESULTS

Certificate of completion confirming change

57176. The commission shall execute, within 30 days of the canvass of the election, a certificate of completion confirming the order of the change of organization or reorganization if a majority of votes cast upon the question are in favor of the change of organization or reorganization in any of the following circumstances:

(a) At an election called in the territory ordered to be organized or reorganized.

(b) At an election called within the territory ordered to be organized or reorganized and within the territory of the affected agency.

(c) At both an election called within the area to be organized or reorganized and an election called within the territory of an affected city, when required by the commission pursuant to Section 56759.

Special reorganization

57176.1. Notwithstanding Section 57176, the commission shall execute, within 30 days of the canvass of the election, a certificate of completion confirming a special reorganization if a majority of votes cast upon the question are in favor of the special reorganization in both of the following circumstances:

(a) An election called in the territory ordered to be detached from the city.

(b) An election called in the entire territory of the city from which the detachment is ordered to occur.

Merger or establishment of subsidiary district

57177. The commission shall execute a certificate of completion confirming either the order of a merger or the order for the establishment of a subsidiary district in the following manner:

(a) Where the question submitted to the voters was only upon merger or only upon establishment of a subsidiary district, the commission shall execute a certificate of completion confirming the order if a majority of the votes cast on the question favored the order either:

(1) At an election called only within the district.

(2) At each election, where one election was called within the district and another election was called within the territory of the city outside the boundaries of the district.

(b) Where both the question of merger and the question of establishment of a subsidiary district were submitted to the voters within the district only and both questions were favored by a majority of the voters, the commission shall order that change of organization favored by the greater number of voters. Where the number of votes was the same on both questions, the merger shall be ordered.

(c) Where both the question of merger and the question of establishment of a subsidiary district were submitted at an election called both within the district and at an election within the territory of the city outside the district boundaries, and both questions were favored by a majority of the voters in both areas, that change of organization receiving the greater number of votes in both elections shall be completed. Where the number of votes was the same, or where the question of merger received the greater number of votes in one of the elections, a merger shall be completed.

Consolidation of cities or districts

57177.5. In the case of elections on an order of consolidation of cities or districts, the commission shall take one of the following actions:

(a) Execute a certificate of completion confirming the order of consolidation if, within the territory of each city or district ordered to be consolidated, a majority of the votes cast on the question favored the consolidation.

(b) Execute a certificate of termination of proceedings if, in one of the cities or districts ordered to be consolidated, the votes cast in favor of consolidation did not constitute a majority.

Incorporation or consolidation of cities; additional requirements

57178. In addition to any other requirements, the certificate of completion confirming an order of incorporation or consolidation of cities shall do all of the following:

(a) Give the name of the new or successor city favored by the electors.

(b) Declare the persons receiving the highest number of votes for the several offices of the new or successor city to be elected to

those offices. If the incorporation applicant requested that the first election for city officers was to occur after the election on the proposal which included incorporation, the resolution shall call an election at which city officers shall be elected.

(c) In the case of an incorporation, declare which system of electing council members was favored, that is, election by district or election at large; and declare whether the city manager form of government was favored by the electors.

Certificate of termination of proceedings

57179. The commission shall execute a certificate of termination of proceedings if the votes cast in favor of the change of organization or reorganization do not constitute a majority.

CHAPTER 8. COMPLETION AND EFFECTIVE DATE OF CHANGE OF ORGANIZATION OR REORGANIZATION

Certificate of completion; filings; notice

57200. (a) The executive officer shall prepare and execute a certificate of completion and shall make the filing required by this division upon all of the following:

(1) The completion of all commission actions pursuant to Part 3 (commencing with Section 56650), including the time period allowed to file and act upon requests for reconsideration pursuant to Section 56895.

(2) The satisfaction of any conditions contained in the commission resolution making determinations that are required to be completed prior to filing a certificate of completion.

(3) The completion of all proceedings pursuant to Part 4 (commencing with Section 57000).

(b) Whenever the commission approves the inclusion of any territory of a landscape and lighting assessment district within a city, the executive officer shall notify the clerk of the landscape and lighting assessment district or other person designated by the district to receive notification.

Certificate of completion; contents

57201. The certificate of completion prepared and executed by the executive officer shall contain all of the following information:

(a) The name of each newly incorporated city, each new district, and the name of each existing local agency for which a change of organization or reorganization was ordered and the name of the county within which any new or existing local agencies are located.

(b) A statement of each type of change of organization or reorganization ordered.

(c) A description of the boundaries of the new city ordered incorporated, the new district ordered formed or of any territory affected by the change of organization or reorganization, which description may be made by reference to a map and legal

description showing the boundaries attached to the certificate.

(d) Any terms and conditions of the change of organization or reorganization.

Effective date; restrictions

57202. (a) If an effective date is fixed in the terms and conditions of the commission resolution, that date shall be the effective date.

An effective date shall not be fixed which is either of the following:

(1) Earlier than the date of execution of the certificate of completion.

(2) Later than nine months after the date of the election in which a majority voted in favor of the change of organization or reorganization.

(b) The change of organization or reorganization shall be complete from the date of execution of the certificate of completion and effective from the dates specified in the terms and conditions of the commission resolution, unless no effective date has been fixed in those terms and conditions.

Date of recordation

(c) If no effective date has been fixed in any of the terms and conditions, the effective date of a change of organization or a reorganization shall be the date of the recordation made with the county recorder and, if filed with the recorder of more than one county, the date of the last such recordation.

Incorporation

(d) The commission shall set an effective date for any incorporation. The authority of the commission to set the date of incorporation shall be exclusive, except as provided in Section 57203.

Santa Cruz County exception

57202.1. [Repealed by Stats. 2021, Ch. 31]

Certificate of completion recorded with each county

57203. The executive officer shall record, no later than 90 days after the election, a certified copy of the certificate of completion with the county recorder of each county in which all or any part of the territory included in the change of organization or reorganization is located, and shall file a certified copy of the certificate of completion, indicating the recording numbers affixed by the county recorder, with the clerk of the legislative body of each local agency subject to the change of organization or reorganization. If the executive officer is for any reason unable to comply with this section, the Secretary of State, upon confirmation by the county recorder that the certificate of completion has not been recorded within the time period provided in this section, may perform the duties of the executive officer upon receiving notice of the failure of the executive officer to so perform.

Secretary of State may file

Surveyor

After recordation of the certificate of completion by the executive officer, the recorder shall file with the county surveyor a copy of the boundary description included in the certificate of

completion as provided by subdivision (c) of Section 57201.

Statement of boundary change filed with assessor, auditor, and Board of Equalization

57204. (a) The executive officer shall file the statement of boundary change or creation with the Board of Equalization, the county assessor, and the county auditor as may be provided for by Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5.

(b) The Board of Equalization shall distribute relevant information from the statements of boundary changes or creations to the Department of Finance, the Controller, and to the Secretary of State, as appropriate.

PART 5. TERMS AND CONDITIONS AND EFFECT OF A CHANGE OF ORGANIZATION OR REORGANIZATION

CHAPTER 1. GENERAL

No effect on Assembly or Senatorial districts

57300. Any proceeding completed pursuant to this division shall not alter or affect the boundaries of any Assembly or Senatorial district.

Effect on city council districts; adjustment of boundaries

57301. If at any time between each decennial federal census, a city annexes or detaches territory or consolidates with another city, the city council of the city annexing or detaching the territory or the city council of the successor city, shall reexamine the boundaries of its council districts, if any, after the first census is taken or after the population estimates are obtained, following the annexation, detachment, or consolidation.

If, upon reexamination, the city council finds that the population of any council districts have varied so that the districts no longer meet the criteria specified in Section 21601 of the Elections Code, the city council shall, within 60 days after the census is taken, or population estimate received, by ordinance or resolution, adjust the boundaries of any or all of the council districts of the city so that the districts are as nearly equal in population as may be possible.

Application of general conditions; specific conditions control over general conditions

57302. The general provisions of this part shall apply only if the commission does not impose terms and conditions on any change of organization or reorganization pursuant to Section 56886. If a change of organization or a reorganization specifically provides for, and is made subject to any of, the terms and conditions authorized by Section 56886, the specific terms and conditions shall be deemed to be the exclusive terms and conditions of the change of organization or reorganization and shall control over the general provisions of this part. Any of those terms and conditions may be provided for, and be made applicable to, any affected

county, affected city, or affected district, to all or any part of the territory of the county, city, or district, to any territory proposed to be annexed to the county, city, or district and to the owner or owners of property within that territory. The general provisions of this part shall not be construed as limiting in any manner the authority of the commission to impose one or more of the terms and conditions set forth in Section 56886.

Effect on bonded indebtedness by change of organization

57303. If no determination is made pursuant to subdivision (d) of Section 56886, the principal amount of bonded indebtedness which may be incurred or assumed by any city, county, or district, under any statute or charter provision imposing a limitation on bonded indebtedness, shall not be affected by any change of organization or reorganization.

CHAPTER 2. EFFECT OF ANNEXATION

Rights and duties of inhabitants of annexed area

57325. On and after the effective date of an annexation, the territory annexed to a city or district, all inhabitants of that territory, and all persons entitled to vote by reason of residing or owning land within that territory shall be subject to the jurisdiction of the city or district and, except as otherwise provided in this chapter, shall have the same rights and duties as if the territory had been a part of the city or district upon its original incorporation or formation.

Agreement to continue services to end of fiscal year by city and district

57326. As an alternative to any procedure prescribed by law for the division of taxes or assessments collected in a district lying partially or wholly in territory annexed by an incorporated city, the city and the district may enter into an agreement providing that the district shall continue to perform services for the annexed territory until the close of the fiscal year for which the district has levied taxes or assessments.

Restriction on payment for use of property

57327. No payment for the use, or right of use, of the existing property, real or personal, of any district or city shall be required by reason of the annexation of territory to that district or city.

Liability of annexed area for bonds, contracts, and obligations of city or district

57328. Any territory annexed to a city or district shall be liable for payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of the city or district, but not of any improvement district within the district. It shall be subject to the levying or fixing and collection of any of the following which may be necessary to provide for that payment:

- (a) Taxes or assessments

- (b) Service charges, rentals, or rates.
- (c) Both taxes or assessments and service charges, rentals, or rates.

Roads and highways

57329. (a) If unincorporated territory was, or is hereafter, annexed to a city, all roads and highways or portions of a road or highway in the territory which had been accepted into the county road system pursuant to Section 941 of the Streets and Highways Code are, or shall become, as the case may be, city streets on the effective date of the annexation

County roads excepted

(b) Subdivision (a) does not apply to a road or highway which had been accepted into the county road system pursuant to Section 941 of the Streets and Highways Code after the date of the first signature on a petition for annexation or incorporation, the adoption of a resolution of application by an affected local agency, or a date mutually agreed upon by the city and the county.

(c) Nothing in subdivision (a) requires a city to improve the affected road or highway to city standards.

Previously authorized taxes, assessments, fees or charges

57330. Any territory annexed to a city or district shall be subject to the levying or fixing and collection of any previously authorized taxes, benefit assessments, fees, or charges of the city or district.

Annexation to a city; succession to Williamson Act contracts

57330.5. (a) If a city annexes land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), and the city succeeds to the contract pursuant to either Section 51243 or Section 51243.5, then on and after the effective date of the annexation, the city has all of the rights, duties, and powers imposed by that contract.

(b) If a city annexes land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), and the city exercises its option to not succeed to the contract pursuant to Section 51243.5, then the city shall record a certificate of contract termination pursuant to that section.

CHAPTER 3. EFFECT OF DETACHMENT

Loss of jurisdiction of agency; rights and duties of inhabitants

57350. Except as otherwise provided in this chapter, on and after the effective date of a detachment, the territory detached from a city or district, all inhabitants within the territory, and all persons formerly entitled to vote by reason of residing within the territory shall cease to be subject to the jurisdiction of the city or district and shall have none of the rights or duties of the remaining territory, inhabitants, or voters of the city or district.

Continued liability for debts

57351. Unless otherwise provided in the terms and conditions of

contracted prior to detachment from city

the detachment, the city from which territory is detached may from time to time levy and collect from the detached territory its just proportion of liability for payment of the interest and principal of debts of the city contracted prior to detachment.

Rights to tender amount of city liability

57352. At any time, the detached territory may tender to the city council of the city or the legislative body of the district the amount for which the detached territory is liable. If tender is made, the authority of the city or district to levy taxes on the detached territory shall cease.

Restriction on rights and entitlements to city or district property or refund of moneys

57353. No inhabitant, property owner, taxpayer, consumer, or user within territory detached from a district or city shall be entitled to either of the following:

(a) All or any part or to any payment on account of the moneys or funds, including cash on hand and moneys due but uncollected, or any property, real or personal, of the city or district.

(b) Any refund by reason of any taxes, assessments, service charges, rentals, or rates collected prior to the effective date of the detachment.

Continued liability for payment of bonds, contracts, and obligations of agency

57354. Any territory detached from a city or district shall continue to be liable for the payment of principal, interest, and any other amounts which become due on account of any bonds, including revenue bonds, or other contracts or obligations of the district and any improvement district within which the detached territory has been situated, as are outstanding on the effective date of detachment. It shall be subject to the levying or fixing and collection of any of the following which may be necessary to provide for that payment:

(a) Taxes or assessments.

(b) Service charges, rentals, or rates.

(c) Both taxes or assessments and service charges, rentals, or rates.

CHAPTER 4. EFFECT OF INCORPORATION

Inhabitants of new city; jurisdiction, rights, and duties

57375. Except as otherwise provided in this chapter, on and after the effective date of an incorporation, the territory incorporated, all inhabitants within the territory, and all persons entitled to vote within the newly incorporated city by reason of residing in the city are subject to the jurisdiction of the city and shall have the rights and duties conferred on them as inhabitants and voters of the incorporated city.

Continuation of county ordinances for 120 days

57376. (a) If the newly incorporated city comprises territory formerly unincorporated, the city council shall, immediately

**Continuation of ordinances;
Orange County**

following its organization and prior to performing any other official act, adopt an ordinance providing that all county ordinances previously applicable shall remain in full force and effect as city ordinances for a period of 120 days after incorporation, or until the city council has enacted ordinances superseding the county ordinances, whichever occurs first. However, if the Board of Supervisors of the County of Orange has adopted an ordinance or resolution, or both, pursuant to Section 50029 or 66484.3 prior to the effective date of an incorporation of a city within that county, that ordinance or resolution shall not be repealed or superseded by the city until the county ordinance or resolution has been repealed or superseded by the board of supervisors of that county. If the county ordinance or resolution is repealed or superseded, then within 30 days of the effective date of the ordinance or resolution repealing or superseding the county ordinance or resolution, the city council shall enact a new ordinance or resolution conforming in all respects to the action taken by the county. The ordinance enacted by the city council immediately following its organization also shall provide that no city ordinance enacted within that 120-day period of time be deemed to supersede any county ordinance unless the city ordinance specifically refers to the county ordinance, and states an intention to supersede it. Enforcement of the continuing county ordinances in the incorporated area shall be by the city, except insofar as enforcement services are furnished in accordance with Section 57384.

**Orange County joint powers
agreements**

(b) In the event that the County of Orange and any city within that county have entered into a joint powers agreement for the purpose of constructing the bridges and major thoroughfares referred to in Sections 50029 and 66484.3, and if a newly incorporated city within that county comprises territory formerly unincorporated but within an area of benefit established pursuant to Section 66484.3, then the city shall comply in all respects with the agreement, including any subsequent modifications thereof, as if the city were a party thereto.

**Terms of office of city officers
and council specified**

57377. Officers, except members of the city council, shall hold office until the first succeeding general municipal election held in the city and until their successors are elected and qualified. Of the five elected members of the city council, the two receiving the lowest number of votes shall hold office until the first succeeding general municipal election held in the city and until their successors are elected and qualified, and the three receiving the highest number of votes shall hold office until the second succeeding general municipal election held in the city and until their successors are elected and qualified. If two or more members of the city council are elected by the same number of votes, the

terms of each shall be determined by lot. The members of the city council elected to succeed the members elected at the incorporation election shall hold office for four years from the Tuesday succeeding their election, and until their successors are elected and qualified.

City council districts; applicable code section

57378. If the voters in the incorporation election determine that future city council members shall be elected "by districts," or "from districts," the provisions of Article 2 (commencing with Section 34870) of Chapter 4 of Part 1 of Division 2 shall apply to those elections.

City council terms where general election less than one year after incorporation

57379. If the first general municipal election following an incorporation election will occur less than one year after the effective date of incorporation, or occurred on or after November 1, 1987, and less than one year after the incorporation election, of the five elected members of the city council, the two receiving the lowest number of votes shall hold office until the second general municipal election following the incorporation election and until their successors are elected and qualified, and the three receiving the highest number of votes shall hold office until the third general municipal election following the incorporation election and until their successors are elected and qualified.

The first general municipal election following the incorporation election shall not be held unless either a proposition is to be voted upon or offices other than city council member offices are to be filled.

In the event that, pursuant to Section 56724, the first election for city council members was held after the election on the incorporation proposal, the term "incorporation election" in this section means the first election for city council members.

Judicial notice of city incorporation

57380. Courts shall take judicial notice of the organization and existence of cities incorporated pursuant to this division.

Surrender of city offices upon qualification of new officers

57381. Immediately upon qualification of the elected officers, all persons in possession of the offices of the city shall surrender the possession of the offices, though the terms of the offices for which they were elected or appointed have not expired.

Conveyance of property to new city officers

57382. All officers, boards, and persons holding any property in trust for any city use shall convey that property to the city or officer entitled to the property.

Conveyance of parking lots; Los Angeles County

57383. [Repealed by Stats. 2021, Ch. 31]

Continuation of county services after incorporation

57384. (a) Except as provided in subdivision (b), whenever a city has been incorporated from territory formerly unincorporated, the board of supervisors shall continue to furnish, without additional charge, to the area incorporated all services furnished to the area prior to the incorporation. Those services shall be furnished for the remainder of the fiscal year during which the incorporation became effective or until the city council requests discontinuance of the services, whichever occurs first.

Board of supervisors may request reimbursement

(b) This subdivision applies only to incorporations for which the petition or resolution of application for incorporation is filed with the commission on or after January 1, 1987. Prior to the commission adopting a resolution making determinations, the board of supervisors may request that the city reimburse the county for the net cost of services provided pursuant to subdivision (a). The commission shall impose this requirement as a term and condition of its resolution. The city shall be obligated to reimburse the county within five years of the effective date of the incorporation or for a period in excess of five years, if the board of supervisors agrees to a longer period. As used in this subdivision, "net cost of services" means the total direct and indirect expense to the county of providing services, as determined pursuant to paragraph (2) of subdivision (c) of Section 56810, adjusted by any subsequent change in the California Consumer Price Index, less any revenues which the county retains that were generated from the formerly unincorporated territory during the period of time the services are furnished pursuant to subdivision (a). This subdivision applies only to those services which are to be assumed by the city.

Time frame for reimbursement

"Net cost of services" defined

(c) At the request of the city council, the board of supervisors, by resolution, may determine to furnish, without charge, to the area incorporated all or a portion of services furnished to the area prior to the incorporation for an additional period of time after the end of the fiscal year during which the incorporation became effective. The additional period of time after the end of the fiscal year during which the incorporation became effective for which the board of supervisors determines to provide services, without charge, and the specific services to be provided shall be specifically stated in the resolution adopted by the board of supervisors.

Additional time

Roads and highways; county road system

57385. (a) If unincorporated territory was, or hereafter becomes, incorporated, all roads and highways or portions of a road or highway in the territory which had been accepted into the county road system pursuant to Section 941 of the Streets and Highways Code are, or shall become, as the case may be, city streets on the effective date of the incorporation.

(b) Subdivision (a) does not apply to a road or highway which had been accepted into the county road system pursuant to Section 941

of the Streets and Highways Code after the date of the first signature on a petition for annexation or incorporation, the adoption of a resolution of application by an affected local agency, or a date mutually agreed upon by the city and the county.

(c) Nothing in subdivision (a) requires a city to improve the affected road or highway to city standards.

CHAPTER 5. EFFECT OF DISINCORPORATION

Termination of jurisdiction

57400. Except as otherwise provided in this chapter, on and after the effective date of a disincorporation, the territory of the disincorporated city, all inhabitants within the territory, and all persons formerly entitled to vote by reason of residing within the territory shall cease to be subject to the jurisdiction of the disincorporated city and shall have none of the rights or duties of inhabitants or voters of a city.

Transfer of public property

57401. Prior to the effective date of the disincorporation, all public property of the disincorporating city under the control of, or in the possession of, any public officer or employee of the city shall be transferred to the possession and control of the successor or successors designated by the commission.

57402. [Repealed by Stats. 2015, Ch. 304]

Transfer of all monies to county treasurer by city council

57403. Within 30 days after the disincorporation election but prior to the effective date of the disincorporation, the city council of the disincorporated city shall turn over to the county treasurer all city money in its possession.

57404. [Repealed by Stats. 2015, Ch. 304]

Due but uncollected tax or assessment

57405. If a tax or assessment has been levied by the disincorporated city and remains uncollected, the county tax collector shall collect it when due and pay it into the county treasury on behalf of the designated successor agency or county to wind up the affairs of the disincorporated city.

Redemption of property for delinquent city taxes

57406. All property upon which any tax levied by the disincorporated city has become delinquent, and all property sold for any tax levied by the disincorporated city, may be redeemed by any interested party, on payment to the county treasurer of the sum which the auditor estimates would have been necessary to redeem the property if there had been no disincorporation.

Special funds for disincorporated city

57407. All money paid into the county treasury pursuant to this chapter shall be placed to the credit of a special fund established

for the purpose of settling the affairs of the disincorporated city.

Warrants for city indebtedness

57408. Warrants for city indebtedness shall be drawn by the board of supervisors on the special fund.

57409. [Repealed by Stats. 2015, Ch. 304]

57410. [Repealed by Stats. 2015, Ch. 304]

**Surplus in special fund;
disposition by board of
supervisors**

57411. Any surplus remaining in the special fund after the payment of any debts shall be, at the discretion of the board of supervisors, transferred to the school districts, community college districts, or districts included in the former city or used for the improvement of streets within the territory of the former city.

**Winding up of city affairs;
county officer duties**

57412. The governing body of the successor shall provide for collection of debts due the city and wind up its affairs. Upon an order by the commission, the appropriate officer of the successor shall perform any act necessary for winding up the city affairs, with the same effect as if it had been performed by the proper city officer.

**County successor to city in rights
of debts**

57413. The county succeeds to all of the rights of the city in the debts and may collect or sue for them in the name of the county.

Expenses for winding up affairs

57414. All costs and expenses incurred in winding up city affairs are part of the special fund.

**Public utilities of city;
assumption of control by board
of supervisors**

57415. By ordinance, the board of supervisors may assume control of, and continue to administer, all electric, power, lighting, or gas plants and all systems of waterworks, street lighting, or any other public utility owned by the city at the time of its disincorporation.

57416. [Repealed by Stats. 2015, Ch. 304]

**Separate fund for public utility
collection**

57417. All sums collected shall be placed in a separate fund in the county treasury for the administration, conduct, and improvement of the public utility for which the tax is levied.

**Assumption of public property of
disincorporated or newly
incorporation city**

57418. If any city has within its boundaries, at the time of incorporation, at least two-thirds of the assessed value of an assessable property formerly contained within a disincorporated city, it becomes the owner of all public property formerly belonging to the disincorporated city and that proportion of the debts, liabilities, and credits owned by or due to the

disincorporated city as the value of the assessable property of the disincorporated city lying within the boundaries of the new city bears to the value of all assessable property formerly contained within the disincorporated city. The value is that shown by the equalized assessment roll in effect in the fiscal year in which the city was disincorporated.

Exclusion from tax on outside territory

57419. No tax shall be levied upon any territory not included within the former limits of the disincorporated city for any debt or liability of the disincorporated city.

Value of property within new city and disincorporated city; preparation of statement

57420. Upon written request by the legislative body of a newly incorporated city, the board of supervisors shall cause the county auditor to prepare, without cost, a statement of the value of the assessable property in the disincorporated city and the value of that property now contained in the incorporated city. If the statement shows that at least two-thirds of the assessed value of all assessable property formerly contained within the disincorporated city is contained within the boundaries of the newly incorporated city, the board of supervisors shall fix the relative proportion by an order entered in the minutes, and the newly incorporated city is liable for that proportion of the debts and liabilities of the disincorporated city.

Transfer of public property to new city from disincorporated city

57421. The board of supervisors shall forward a certified copy of the order to the Secretary of State and the city clerk, and turn over to the city council all public property taken by the board of supervisors and the proportion of the special fund to which the city is entitled. Thereafter, ownership of, and title to, all public property formerly belonging to the disincorporated city is vested in the city as fully as if the property had been originally acquired by it.

Special tax for bonded indebtedness of disincorporated city by new city

57422. Annually, at the time other city taxes are levied and collected, the city council shall levy and collect a special tax on the territory of the disincorporated city within the limits of the city sufficient to pay its proportion of the bonded indebtedness as it becomes due.

57423. [Repealed by Stats. 2015, Ch. 304]

57424. [Repealed by Stats. 2015, Ch. 304]

Redemption of property sold for taxes by disincorporated city

57425. If any property within the former limits of the disincorporated city was sold for taxes levied by that city, it may be redeemed or a tax bond issued as if the city had not disincorporated. Those proceedings shall be had and deeds issued

in the name of the city in which the land is situated.

Disincorporated city; general plan and zoning ordinances

57426. As of the effective date of the disincorporation, all of the following apply:

(a) The general plan of the disincorporated city that was in effect immediately prior to the effective date of the disincorporation shall constitute the community plan of the county for the territory of the disincorporated city until the county updates the community plan, adopts a specific plan, or amends its county general plan for the unincorporated territory.

(b) The zoning ordinances of the disincorporated city that were in effect immediately prior to the effective date of the disincorporation shall constitute the zoning ordinances of the county for that territory, and shall be so identified in any community plan, specific plan, or general plan amendment adopted by the county, until the county updates the zoning ordinances applicable to that territory.

(c) Any conditional use permit or legal nonconforming use that was in place immediately prior to the effective date of the disincorporation shall remain in force pursuant to the community plan and zoning ordinances.

(d) Any use of land that was authorized under the general plan and zoning ordinances immediately prior to the effective date of the disincorporation shall continue to be authorized, for as long as a period as may be required by the California Constitution or the United States Constitution.

CHAPTER 6. EFFECT OF DISSOLUTION

Corporate powers to cease on effective date

57450. On and after the effective date of the dissolution of a district, the district shall be dissolved, disincorporated, and extinguished, its existence shall be terminated, and all of its corporate powers shall cease, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district and as otherwise provided in this chapter. The general provisions of this chapter shall not be construed as limiting in any manner the authority of the commission to impose one or more of the terms and conditions set forth in Section 56886.

Determination of successor district

57451. For the purpose of winding up the affairs of a dissolved district, the successor of the dissolved district shall be determined as follows:

(a) If the territory of a dissolved district is located entirely within the incorporated territory of a single city, the city is the successor.

(b) If the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is the

successor.

(c) If the territory of a dissolved district is located within the incorporated territory of more than one city or the unincorporated territory of more than one county, or any combination of the incorporated or unincorporated territory of two or more such cities and counties, the successor is that city whose incorporated territory or that county whose unincorporated territory shall, upon the effective date of dissolution, contain the greater assessed value of all taxable property within the territory of the dissolved district, as shown on the last equalized assessment roll or rolls of the county or counties.

(d) If the terms and conditions provide that all of the remaining assets of a dissolved district shall be distributed to a single existing district, the single existing district is the successor.

(e) If the terms and conditions provide that all of the remaining assets of a dissolved district shall be distributed to two or more existing districts, the successor is that existing district which, upon the effective date of dissolution, contains the greater assessed value of all taxable property within the territory of the dissolved district, as shown on the last equalized assessment roll or rolls of the county or counties.

Property or funds vested in successor

57452. Upon the effective date of dissolution control over all of the moneys or funds, including cash on hand and moneys due but uncollected, and all property, real or personal, of the dissolved district is vested in the successor for the purpose of winding up the affairs of the district.

Powers and duties of successor district

57453. For the sole and exclusive purpose of winding up the affairs of the dissolved district, the successor and the officers and legislative body of the successor have the same powers and duties as the dissolved district and the officers and legislative body of the dissolved district and all of the following additional powers and duties:

(a) To exchange, sell, or otherwise dispose of all property, real and personal, of the dissolved district.

(b) To compromise and settle claims of every kind and nature.

(c) To sue or be sued in the same manner and to the same extent as the dissolved district and the officers and legislative body of the dissolved district.

These powers and duties shall commence upon the effective date of dissolution and shall continue thereafter until the time when the affairs of the dissolved district have been completely wound up.

Inhabitants, owners, etc., not entitled

57454. No inhabitant, property owner, taxpayer, consumer, or user within the territory of a dissolved district shall be entitled to either of the following:

(a) All or any part, or to any payment on account of the moneys or funds, including cash on hand and moneys due but uncollected, or any property, real or personal, of the dissolved district.

(b) Any refund by reason of any taxes, assessments, service charges, rentals, or rates collected prior to the effective date of dissolution.

Moneys and funds used for obligations of dissolved district

57455. Any moneys and funds of the dissolved district and any moneys or funds received by the successor from the sale or other disposition of any property, real or personal, of the dissolved district shall be used to the extent necessary, for the payment of principal, interest and any other amounts then or thereafter due on account of any outstanding bonds, including revenue bonds, and other contracts or obligations of the dissolved district.

Distribution of remaining assets

57456. (a) When the successor determines that payment, or provision for payment, has been made of all short-term obligations of the dissolved district, the successor shall distribute any of the remaining assets of the dissolved district in the manner provided in Section 57457.

"Short-term obligations" defined

(b) "Short-term obligations," as used in subdivision (a), includes all amounts which shall be due and payable, prior to the end of the fiscal year commencing next after the effective date of dissolution, upon any outstanding bonds, including revenue bonds, and other contracts or obligations of the dissolved district. All other obligations shall be long-term obligations.

Assets; to whom distributed

57457. Remaining assets of the dissolved district shall be distributed by the successor as follows:

(a) If the territory of the dissolved district is located entirely within the incorporated territory of a single city, all of the assets shall be distributed to that city.

(b) If the territory of the dissolved district is located entirely within the unincorporated territory of a single county, all the assets of the dissolved district shall be distributed to that county.

(c) If the territory of a dissolved district is located within the incorporated territory of more than one city, or the unincorporated territory of more than one county, or any combination of the incorporated or unincorporated territory of two or more such cities and counties, the assets of the dissolved district shall be apportioned between all such cities and counties and distributed as follows:

(1) All real property located within the incorporated territory of any city or within the unincorporated territory of any county, as the case may be, shall be distributed to that city or county.

(2) All moneys or funds including cash on hand and money due but uncollected and all personal property shall be divided among

and distributed to each city or county in the proportion that the assessed value of the taxable property of the dissolved district within the incorporated territory of each city or within the unincorporated territory of each county shall bear to the total assessed value of all taxable property within the dissolved district, the assessed values being those shown upon the last equalized assessment roll or rolls of the county or counties upon the effective date of the dissolution.

**Special tax levy to pay
outstanding indebtedness**

57458. Until payment, or provision for payment, has been made of all principal, interest, and any other amounts owing on account of any outstanding long-term obligations, which are payable in whole or in part from taxes or assessments upon any property within all or any part of the territory of a dissolved district, the legislative body of the successor shall in each year provide for the levy and collection of taxes or assessments upon the property sufficient to pay any principal, interest, and any other amounts owing on account of such obligations, as they become due. Those taxes or assessments shall be levied and collected in the manner provided by the principal act of the dissolved district.

**Restriction on assets until
outstanding debts paid**

57459. Until payment, or provision for payment, has been made of all principal, interest, and any other amounts owing on account of any outstanding bonds, contracts, or other obligations which are payable in whole or in part from the revenues of a revenue-producing enterprise of the dissolved district, the successor shall not do either of the following:

(a) Sell, encumber, or otherwise dispose of all or any part of the revenue-producing enterprise or the revenues derived from that enterprise, except as expressly authorized by the ordinance, resolution, or indenture authorizing or providing for the issuance of any of the bonds, contracts, or other obligations.

(b) Distribute less than the whole of the revenue-producing enterprise to any city or county.

**Retention of revenue enterprise
until indebtedness paid**

57460. If at the time of distribution more than one city or county or any combination of cities or counties are entitled to distribution of portions of a revenue-producing enterprise but the successor is unable to distribute the same because of Section 57459, the successor shall retain the revenue-producing enterprise and all revenues derived from that enterprise until payment, or provision for payment, has been made of all principal, interest, and any other amounts owing on account of outstanding bonds, contracts, or other obligations which are payable in whole or in part from the revenues of the enterprise, at which time the successor shall distribute the enterprise and any revenues derived there from in accordance with Section 57457.

Rights and liabilities of successor for obligations payable from revenue enterprise

57461. Where any bonds, contracts, or other obligations which are payable in whole or in part from the revenues of a revenue-producing enterprise are outstanding upon the effective date of dissolution, the successor, prior to distribution, or any city or county, after distribution, shall succeed to all rights and liabilities of the dissolved district under any ordinance, resolution, or indenture authorizing the bonds, contracts, or other obligations or providing for the issuance of the bonds, contracts, or other obligations and may sue or be sued upon those rights and liability in the same manner and to the same extent as the dissolved district.

Assets of district impressed with any public trust

57462. Any funds, money, or property of a dissolved district which have been impressed with any public trust, use, or purpose shall continue to be so impressed until that public trust, use, or purpose is vacated, abandoned, or terminated, in the manner provided by law.

Assets to be used for winding up affairs and for the benefit of area

57463. Subject to the provisions of Section 57462, any funds, money, or property of a dissolved district may be used by the successor for the purpose of winding up the affairs of the district and, after distribution to any city, county, or district may be used for any lawful purpose of the city, county, or district to which the funds, money, or property have been distributed. So far as may be practicable, the funds, money, or property shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the dissolved district.

CHAPTER 7. EFFECT OF CONSOLIDATION OF CITIES

Manner of governance of consolidated city; name of city; officers of new city

57475. If the successor city has a freeholder's charter, the successor city shall be governed as a new city under the freeholder's charter of the successor city. If the successor city was organized under former Part 2 (commencing with Section 35000) of Division 2 of Title 4, or its predecessors, the successor city shall be governed in the same manner as a new city. Except as otherwise provided in this chapter, the successor city shall be governed in the name of the successor city. If the electors have expressed a preference for the name of the successor city, the successor city is deemed to have the name favored by the electors. The predecessor cities are dissolved and disincorporated and if any of them has a freeholder's charter, it is deemed surrendered and annulled and they are merged into the successor city. Immediately upon qualifying, the officers of the successor city who have been elected shall enter upon the duties of their offices and hold office until the next general municipal election and until their successors

are elected and qualified. All persons in possession of, or occupying, the offices in each of the predecessor cities shall surrender them immediately to the proper officers of the successor city.

Title to property of predecessor city

57476. Upon consolidation, the title to any property owned or held by, or in trust for, each predecessor city or by its officers or boards in trust for public use shall be vested in the successor city or its officers or boards.

Effect of consolidation on liabilities

57477. Except as otherwise provided in this division, consolidation does not affect any debts, demands, liabilities, or obligations of any kind existing in favor of or against the cities consolidated at the time of consolidation. Consolidation does not affect any pending action or proceeding involving any such debt, demand, liability, or obligation or any action or proceedings brought by or against any city prior to consolidation. The proceedings shall be continued and concluded by final judgment or otherwise as if consolidation had not been effected. Those rights or liabilities are the rights and liabilities of the successor city.

Repeal of ordinances of predecessor city

57478. Immediately upon consolidation, all ordinances of the predecessor cities are deemed repealed. That repeal shall not discharge any person from any existing civil or criminal liability nor affect any pending prosecution for violation of any of those ordinances.

Restriction on repeal of ordinances

57479. The repeal of ordinances provided by Section 57478 shall not apply to any of the following:

- (a) Ordinances under which vested rights have accrued.
- (b) Ordinances relating to proceedings for street or other public improvements.
- (c) Ordinances relating to zoning or land use regulation.
- (d) Proceedings for opening, extending, widening, straightening, or changing the grade of streets or other public places.

These proceedings shall be continued and conducted by the successor city with the same effect as if continued and conducted by the city which commenced them.

Effective date of ordinances of successor city

57480. On and after the effective date of the consolidation, all ordinances, if any, of the successor city shall have full effect throughout the successor city.

Restriction on liability of other city's indebtedness

57481. Unless otherwise provided in the terms and conditions of the consolidation, the property in cities consolidated pursuant to this chapter shall not be taxed to pay any indebtedness or liability

of any other city contracted or incurred prior to, or existing at, the time of consolidation.

Separate levy for each city's indebtedness

57482. The city council of the successor city shall separately levy and collect the taxes necessary to pay the indebtedness or liability of each predecessor city within the territory of each predecessor city.

Charter city status

57483. Where the successor city is, or becomes, a chartered city, under a freeholder's charter providing that boroughs may be established in territories or cities annexed to or consolidated with it, this division does not prevent a predecessor city, or any part of it, from becoming a borough.

CHAPTER 8. EFFECT OF CONSOLIDATION OF DISTRICTS

Powers and duties of consolidated district; rights of inhabitants and voters

57500. On and after the effective date of a consolidation, the consolidated district succeeds to all of the powers, rights, duties, obligations, functions, and properties of all predecessor districts which have been united or joined into the consolidated district. The territory of a consolidated district, all inhabitants within that territory, and all persons entitled to vote by reason of residing or owning land within the territory are subject to the jurisdiction of the consolidated district and, except as otherwise provided in this chapter, have the same rights and duties as if the consolidated district had been originally formed under the principal act.

No payment for use of property of predecessor district

57501. No payment for the use, or right of use, of any property, real or personal, acquired or constructed by any predecessor district shall be required by reason of the consolidation of the district with other predecessor districts.

Liability for payment of bonds and obligations of predecessor districts

57502. The territory of a consolidated district shall be liable for payment of principal, interest, and any other amounts which become due on account of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of all predecessor districts, and are subject to the levying or fixing and collection of any of the following which may be necessary to provide for payment:

- (a) Taxes or assessments.
- (b) Service charges, rentals, or rates.
- (c) Both taxes or assessments and service charges, rentals, or rates. However, only the territory within an improvement district shall be liable for any payment required on account of any bonds, including revenue bonds, or other contracts previously authorized or issued by, or on behalf of, the improvement district.

CHAPTER 9. MERGERS AND THE ESTABLISHMENT OF SUBSIDIARY DISTRICTS

Termination of district by merger

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.

Assets vested in city

57526. Upon the effective date of a merger, all of the moneys or funds, including cash on hand and moneys due but uncollected and all property, real or personal, of the merged district is vested in the city.

Inhabitants, owners, etc., not entitled

57527. No inhabitant, property owner, taxpayer, consumer, or user within the territory of a merged district shall be entitled to either of the following:

(a) All or any part, or to any payment on account of the moneys or funds, including cash on hand and moneys due but uncollected, and any property, real or personal, of the merged district.

(b) Any refund by reason of any taxes, assessments, service charges, rentals, or rates collected prior to the effective date of merger.

Remaining moneys to pay outstanding indebtedness

57528. Any moneys and funds of the merged district and any moneys or funds received by the city from the sale or other disposition of any property, real or personal, of the merged district shall be used, to the extent necessary, for the payment of principal, interest, and any other amounts then or thereafter due on account of any outstanding bonds, including revenue bonds, and other contracts and obligations of the merged district.

Special tax to pay indebtedness of merged districts

57529. Until payment, or provision for payment, has been made of all principal, interest, and any other amounts owing on account of any outstanding obligations, which are payable in whole or in part from taxes or assessments upon any property within all or any part of the territory of a merged district, the city council shall in each year provide for the levy and collection of taxes and assessments upon the property sufficient to pay any principal, interest, and any other amounts owing on account of such obligations, as they become due. Those taxes and assessments shall be levied and collected in the manner provided by the principal act of the merged district.

Restriction on sale of revenue enterprise until indebtedness paid

57530. Until payment, or provision for payment, has been made of all principal, interest, and any other amounts owing on account of any outstanding bonds, contracts, or other obligations which are payable in whole or in part from the revenues of a revenue-

producing enterprise of the merged district, the city shall not sell, encumber, or otherwise dispose of all or any part of the revenue-producing enterprise or the revenues derived from the enterprise, except as expressly authorized by the ordinance, resolution, or indenture authorizing the bonds, contracts, or other obligations or providing for the issuance of any bonds, contracts, or other obligations.

Rights of successor city for payment of outstanding indebtedness

57531. Where any bonds, including revenue bonds, contracts, or other obligations of the merged district are outstanding upon the effective date of merger, the city succeeds to all of the rights and liabilities of the merged district under any ordinance, resolution, indenture, contract, or other obligation or providing for or authorizing the issuance of any bonds, contracts, or other obligations and may sue and be sued upon those rights and liabilities in the same manner and to the same extent as the merged district.

Funds impressed with public trust

57532. Any funds, money, or property of a merged district which have been impressed with any public trust, use, or purpose shall continue to be so impressed until the public trust, use, or purpose is vacated, abandoned, or terminated, in the manner provided by law.

Use of funds of merged district

57533. Subject to Section 57532, any funds, money, or property of a merged district may be used for any lawful purpose of the city. So far as may be practicable, as determined by the city council, any of these funds, money, or property shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the merged district.

City council as board of directors of subsidiary district; continuation of district's existence

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.

City council member serving on district board; conflict

57535. If any court determines that any incompatibility exists by reason of the same person or persons holding office both as a member of the city council and as a member of the board of directors of a subsidiary district, the court shall order the vacation of the office of that person as a member of the board of directors, but not as a member of the city council, and shall order the membership of the board of directors to be selected in the manner

provided by the principal act.

CHAPTER 10. EFFECT OF REORGANIZATION

Effect of change of organization after a reorganization

57550. On and after the effective date of a reorganization, each change of organization ordered for any city or district shall be given the force and effect pertaining to a change of organization of that type, as provided in this part.

RELATED SECTIONS IN THE REVENUE AND TAXATION CODE

Property tax rates; levy by local agencies and school entities

93. (a) Notwithstanding any other provision of law, except as provided in subdivisions (b) and (c), no local agency, school district, county superintendent of schools, or community college district shall levy an ad valorem property tax, other than that amount which is equal to the amount needed to make annual payments for the interest and principal on general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978 or the amount levied pursuant to Part 10 (commencing with Section 15000) of Division 1 and Sections 39308, 39311, 81338, and 81341 of the Education Code. In determining the tax rate required for the purposes specified in this subdivision, the amount of the levy shall be increased to compensate for any allocation and payment of tax revenues required pursuant to subdivision (b) of Section 33670 and subdivision (d) of Section 33675 of the Health and Safety Code.

(b) A county shall levy an ad valorem property tax on taxable assessed value at a rate equal to four dollars (\$4) per one hundred dollars (\$100) of assessed value, and at an equivalent rate when the ratio prescribed in Section 401 is changed from 25 percent to 100 percent. The revenue from that tax shall be distributed, subject to the allocation and payment as provided in subdivision (d) of Section 33675 of the Health and Safety Code, to local agencies, school districts, county superintendents of schools, and community college districts in accordance with the provisions of the Government Code through the 1978-79 fiscal year and in accordance with applicable provisions of the Revenue and Taxation Code in each fiscal year thereafter. Revenues from property tax delinquency penalties, and accrued legal interest paid on judgments for the recovery of unpaid property taxes rendered by courts of this state, shall be distributed pursuant to Sections 4653.6, 4655.4, and 4658.4 of the Revenue and Taxation Code, or their successors.

(c) Any jurisdiction may levy an ad valorem property tax rate in the excess of the rate permitted in subdivision (b) in order to produce revenues in an amount which is equal to the amount needed to make annual payments for the interest and principal on any bonded indebtedness for the acquisition or improvement of real property which is approved by a two-thirds vote of its voters after June 4, 1986

97.70. Notwithstanding any other law, for the 2004-05 fiscal year and for each fiscal year thereafter, all of the following apply:

(a) (1) (A) The auditor shall reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to a county's Educational Revenue Augmentation Fund by the countywide vehicle license fee adjustment amount.

(B) If, for the fiscal year, after complying with Section 97.68 there is not enough ad valorem property tax revenue that is otherwise required to be allocated to a county Educational Revenue Augmentation Fund for the auditor to complete the allocation reduction required by subparagraph (A), the auditor shall additionally reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in the county for that fiscal year by an amount equal to the difference between the countywide vehicle license fee adjustment amount and the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund for that fiscal year. This reduction for each school district and community college district in the county shall be the percentage share of the total reduction that is equal to the proportion that the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the school district or community college district bears to the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in a county. For purposes of this subparagraph, "school districts" and "community college districts" do not include any districts that are excess tax school entities, as defined in Section 95.

(2) The countywide vehicle license fee adjustment amount shall be allocated to the Vehicle License Fee Property Tax Compensation Fund that shall be established in the treasury of each county.

(b) (1) The auditor shall allocate moneys in the Vehicle License Fee Property Tax Compensation Fund according to the following:

(A) Each city in the county shall receive its vehicle license fee adjustment amount.

(B) Each county and city and county shall receive its vehicle license fee adjustment amount.

(2) The auditor shall allocate one-half of the amount specified in paragraph (1) on or before January 31 of each fiscal year, and the other one-half on or before May 31 of each fiscal year.

(c) For purposes of this section, all of the following apply:

(1) "Vehicle license fee adjustment amount" for a particular city, county, or a city and county means, subject to an adjustment under paragraph (2) and Section 97.71, all of the following:

(A) For the 2004-05 fiscal year, an amount equal to the difference between the following two amounts:

(i) The estimated total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund, including any amounts that would have been certified to the Controller by the auditor of the County of Ventura under subdivision (j) of Section 98.02, as that section read on January 1, 2004, for the distribution under the law as it read on January 1, 2004, to the county, city and county, or city for the 2004-05

fiscal year if the fee otherwise due under the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2) was 2 percent of the market value of a vehicle, as specified in Sections 10752 and 10752.1 as those sections read on January 1, 2004.

(ii) The estimated total amount of revenue that is required to be distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the county, city and county, and each city in the county for the 2004-05 fiscal year under Section 11005, as that section read on the operative date of the act that amended this clause.

(B) (i) Subject to an adjustment under clause (ii), for the 2005-06 fiscal year, the sum of the following two amounts:

(I) The difference between the following two amounts:

(ia) The actual total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund, including any amounts that would have been certified to the Controller by the auditor of the County of Ventura under subdivision (j) of Section 98.02, as that section read on January 1, 2004, for distribution under the law as it read on January 1, 2004, to the county, city and county, or city for the 2004-05 fiscal year if the fee otherwise due under the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2) was 2 percent of the market value of a vehicle, as specified in Sections 10752 and 10752.1 as those sections read on January 1, 2004.

(ib) The actual total amount of revenue that was distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the county, city and county, and each city in the county for the 2004-05 fiscal year under Section 11005, as that section read on the operative date of the act that amended this subsubclause.

(II) The product of the following two amounts:

(ia) The amount described in subclause (I).

(ib) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years. For the first fiscal year for which a change in a city's jurisdictional boundaries first applies, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the city's current jurisdictional boundaries.

(ii) The amount described in clause (i) shall be adjusted as follows:

(I) If the amount described in subclause (I) of clause (i) for a particular city, county, or city and county is greater than the amount

described in subparagraph (A) for that city, county, or city and county, the amount described in clause (i) shall be increased by an amount equal to this difference.

(II) If the amount described in subclause (I) of clause (i) for a particular city, county, or city and county is less than the amount described in subparagraph (A) for that city, county, or city and county, the amount described in clause (i) shall be decreased by an amount equal to this difference.

(C) For the 2006-07 fiscal year and for each fiscal year thereafter, the sum of the following two amounts:

(i) The vehicle license fee adjustment amount for the prior fiscal year, if Section 97.71 and clause (ii) of subparagraph (B) did not apply for that fiscal year, for that city, county, and city and county.

(ii) The product of the following two amounts:

(I) The amount described in clause (i).

(II) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years. For the first fiscal year for which a change in a city's jurisdictional boundaries first applies, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the city's current jurisdictional boundaries.

(2) Notwithstanding paragraph (1), "vehicle license fee adjustment amount," for a city incorporating after January 1, 2004, and on or before January 1, 2012, means the following:

(A) For the 2017-18 fiscal year, the quotient derived from the following fraction:

(i) The numerator is the product of the following two amounts:

(I) The sum of the most recent vehicle license fee adjustment amounts determined for all cities in the county.

(II) The population of the incorporating city.

(ii) The denominator is the sum of the populations of all cities in the county.

(B) For the 2018-19 fiscal year, and for each fiscal year thereafter, the sum of the following two amounts:

(i) The vehicle license fee adjustment amount for the prior fiscal year.

(ii) The product of the following two amounts:

(I) The amount described in clause (i).

(II) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years.

(3) For the 2013-14 fiscal year, the vehicle license fee adjustment amount that is determined under subparagraph (C) of paragraph (1) for the County of Orange shall be increased by fifty-three million dollar (\$53,000,000). For the 2014-15 fiscal year and each fiscal year thereafter, the calculation of the vehicle license fee adjustment amount for the County of Orange under subparagraph (C) of paragraph (1) shall be based on a prior fiscal year amount that reflects the full amount of this one-time increase of fifty-three million dollars (\$53,000,000).

(4) "Countywide vehicle license fee adjustment amount" means, for any fiscal year, the total sum of the amounts described in paragraphs (1), (2), and (3) for a county or city and county, and each city in the county.

(5) On or before June 30 of each fiscal year, the auditor shall report to the Controller, in an electronic format provided by the Controller, the vehicle license fee adjustment amount for the county and each city in the county for that fiscal year. The Controller shall make the information available to the public in a readily accessible compiled electronic file via the Controller's internet website on or before September 1 of each year.

(d) For the 2005-06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall not reflect, for a preceding fiscal year, any portion of any allocation required by this section.

(e) For purposes of Section 15 of Article XI of the California Constitution, the allocations from a Vehicle License Fee Property Tax Compensation Fund constitute successor taxes that are otherwise required to be allocated to counties and cities, and as successor taxes, the obligation to make those transfers as required by this section shall not be extinguished nor disregarded in any manner that adversely affects the security of, or the ability of, a county or city to pay the principal and interest on any debts or obligations that were funded or secured by that city's or county's allocated share of motor vehicle license fee revenues.

(f) This section shall not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, cities, counties, and cities and counties pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted. The allocations required by this section shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation or increased tax increment allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is otherwise determined or allocated in a county.

(4) Reduce ad valorem property tax revenue allocations required under Article 4 (commencing with Section 98).

(g) Tax exchange or revenue sharing agreements, entered into prior to the operative date of this section, between local agencies or between local agencies and nonlocal agencies are deemed to be modified to account for the reduced vehicle license fee revenues resulting from the act that added this section. These agreements are modified in that these reduced revenues are, in kind and in lieu thereof, replaced with ad valorem property tax revenue from a Vehicle License Fee Property Tax Compensation Fund or an Educational Revenue Augmentation Fund.

**Jurisdictional changes; city
Incorporation or
disincorporation; district
formation**

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

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

(2) In the case of a city incorporation or disincorporation, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code and the adjustments in tax revenues that may occur pursuant to Section 56815 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56810 or 56813 in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the incorporation.

(3) In the case of a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code to the district and shall make the adjustment as determined by Section 56810, or for the disincorporated city or dissolved district as determined by Section 56813, in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the change of organization.

(b) Upon the filing of an application or a resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of

2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.

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

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

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

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

(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days.

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

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues. Prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56658 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 30 days for the affected agencies, pursuant to paragraph (4), to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 30-day period, all proceedings of the jurisdictional change shall automatically be terminated.

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

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

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

For purposes of this paragraph, a qualified annexation of unincorporated territory means an annexation, as so described, for which an application or a resolution was filed on or after January 1, 1998, and on or before January 1, 2021.

(9) No later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder, the executive officer shall notify the auditor or auditors of the exchange of property tax revenues and the auditor or auditors shall make the appropriate adjustments as provided in subdivision (a).

(c) Whenever a jurisdictional change is not required to be reviewed and approved by a local agency formation commission, the local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4) and (6) of subdivision (b), shall determine the amount

of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no such jurisdictional change shall become effective until each county and city included in these negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a). Adjustments in property tax allocations made as the result of a city or library district withdrawing from a county free library system pursuant to Section 19116 of the Education Code shall be made pursuant to Section 19116 of the Education Code, and this subdivision shall not apply.

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

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

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

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

(C) The city and the county shall mutually select an arbitrator, funded in equal portions by those agencies, to conduct an advisory arbitration with the city and the county for a period of not to exceed 30 days. At the conclusion of this arbitration period, the city and the county shall each present to the arbitrator its last and best offer with

respect to the exchange of property tax revenues. The arbitrator shall select one of the offers and recommend that offer to the governing bodies of the city and the county. If the governing body of the city or the county rejects the recommended offer, it shall do so during a public hearing, and shall, at the conclusion of that hearing, make written findings of fact as to why the recommended offer was not accepted.

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

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

(g) For the purpose of determining the amount of property tax to be allocated in the 1979-80 fiscal year and each fiscal year thereafter, for a city incorporation that was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978-79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978 -79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977-78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for that incorporation, the commission shall by October 10, determine pursuant to Section 54790.3 of the Government Code the amount of property tax to be transferred to the city.

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

(h) For the purpose of the computations made pursuant to this section, in the case of a district formation that was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1,

1978, but before January 1, 1979, the amount of property tax to be allocated to the district for the 1979-80 fiscal year and each fiscal year thereafter shall be determined pursuant to Section 54790.3 of the Government Code.

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

(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. This determination shall be adopted by each affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

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

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

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

the community college district in the annexed area from the timber yield tax and forest reserve receipts.

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

**Jurisdictional changes;
services by special district to
area not previously served by
local agency**

99.01. (a) For the purposes of Section 99, in the case of a jurisdictional change that will result in a special district providing one or more services to an area where those services have not been previously provided by any local agency, the following shall apply:

(1) The special district referred to in this subdivision and each local agency that receives an apportionment of property tax revenue from the area shall be considered local agencies whose service area or service responsibility will be altered by the jurisdictional change.

(2) The exchange of property tax among those local agencies shall be limited to property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies.

(3) Notwithstanding the provisions of paragraph (5) of subdivision (b) of Section 99, any special district affected by the jurisdictional change may negotiate on its own behalf, if it so chooses.

(4) If a special district involved in the negotiation (other than the district which will provide one or more services to the area where those services have not been previously provided) fails to adopt a resolution providing for the exchange of property tax revenue, the board of supervisors of the county in the area subject to the jurisdictional change is located shall determine the exchange of property tax revenue for that special district.

(b) The provisions of subdivisions (a), (b), (c), (d), and (j) of Section 99 not in conflict with this section shall apply. The jurisdictional changes described in subdivisions (e), (f), (g), (h), and (i) of Section 99 shall not be affected by the provisions of this section.

**Annexation development plan;
plan for financing services**

99.3. (a) The plan for financing services that is included with a resolution of application for change of organization or reorganization filed by a local agency pursuant to Section 56653 of the Government Code for a disadvantaged, unincorporated community may include an annexation development plan that has been adopted pursuant to subdivision (c).

Definitions

"Local agency"

(b) For purposes of this section, the following definitions apply:

(1) "Local agency" means a local agency as defined by subdivision (a) of Section 95, and does not include any school entity as defined in subdivision (f) of Section 95.

"Consenting local agency"

(2) "Consenting local agency" means a local agency that has adopted a resolution of its governing body consenting to the annexation

	development plan.
"Territory"	(3) "Territory" means all or part of the land that is included in the resolution of application for change of organization or reorganization filed by the local agency.
"Certificate of completion"	(4) "Certificate of completion" is defined as provided in Section 56020.5 of the Government Code.
"Disadvantaged unincorporated community"	<p>(5) "Disadvantaged, unincorporated community" is defined as provided in Section 56033.5 of the Government Code.</p> <p>(c) A local agency that files a resolution of application for a change of organization or reorganization, and one or more other consenting local agencies that will improve or upgrade structures to serve a disadvantaged, unincorporated community subject to that resolution of application, may agree on an annexation development plan for financing services and structures pursuant to this section.</p> <p>(d) The annexation development plan agreed upon pursuant to subdivision (c) may contain a provision that taxes levied upon taxable property in the area included within the territory each year by or for the benefit of the local agency and one or more other consenting local agencies that consent to the annexation development plan, be divided as follows:</p>
Property tax increment financing	<p>(1) That portion of the taxes that would have been produced by the rate upon which the tax is levied each year by or for each of the consenting local agencies upon the total sum of the assessed value of the taxable property in the territory as shown upon the assessment roll used in connection with the taxation of the property by the consenting local agency, last equalized prior to the effective date of the certification of completion, and that portion of taxes by or for each school entity, shall be allocated to, and when collected shall be paid to, the respective consenting local agencies and school entities as taxes by or for the consenting local agencies and school entities on all property are paid.</p> <p>(2) That portion of the levied taxes each year specified in the annexation development plan adopted pursuant to subdivision (c) for the city and each consenting local agency that has agreed to participate pursuant to this section, in excess of the amount specified in paragraph (1), shall be allocated to, and when collected shall be paid into a special fund of a special district formed or reorganized with the special district's consent pursuant to subdivision (c) of Section 56653 of the Government Code that will finance the infrastructure improvements, including, but not limited to, water, wastewater, and stormwater systems and local streets, roads, and sidewalks, to serve the disadvantaged, unincorporated community. A consenting local agency may advance funds to the special district that is formed or reorganized pursuant to paragraph (2) of subdivision (c) of Section 56653 of the Government Code. The special district shall use those advanced funds solely for the purposes specified in the annexation development plan adopted pursuant to subdivision (c) and shall repay</p>

the consenting local agency with revenue from the taxes received pursuant to this subdivision.

**Annexation development plan;
issuance of indebtedness**

(e) An annexation development plan adopted pursuant to subdivision (c) shall specify a date upon which the division of taxes described in subdivision (d) shall terminate.

(f) An annexation development plan adopted pursuant to subdivision (c) may include a provision for the issuance of indebtedness. Any indebtedness shall be issued in conformity with Articles 4.5 (commencing with Section 53506) and 5 (commencing with Section 53510) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code or the principal act of the special district.

(g) An annexation development plan adopted pursuant to subdivision (c) shall not result in a reduction of property tax revenues allocated to any school entity as defined in subdivision (f) of Section 95.

(h) Any plan adopted pursuant to this section shall not include any portion of a redevelopment project area which is or has been previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code.

(i) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

Motor vehicle license fees

11005. After payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving the amount determined necessary by the Pooled Money Investment Board to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, the balance of all motor vehicle license fees and any other money appropriated by law for expenditure pursuant to this section and deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and remaining unexpended therein at the close of business on the last day of the calendar month, shall be allocated by the Controller by the 10th day of the following month in accordance with the following:

(a) On and after July 1, 2011, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, as established by Section 30025 of the Government Code, for allocation to cities, counties, and cities and counties.

(b) On or after July 2, 2004, but before July 1, 2011:

(1) First, to the County of Orange. For the 2004—05 fiscal year, that county shall be allocated fifty-four million dollars (\$54,000,000) in monthly installments. For the 2005—06 fiscal year and each fiscal year thereafter, that county shall receive, in monthly installments, an amount equal to the amount allocated under this section for the prior fiscal year, adjusted for the percentage change in the amount of revenues credited to the Motor Vehicle License Fee Account in the Transportation Tax Fund from the revenues credited to that account in the prior fiscal year. Moneys allocated to the County of Orange under this subdivision shall be used first for the service of indebtedness as

provided in paragraph (1) of subdivision (a) of Section 11001.5. Any amounts in excess of the amount required for this service of indebtedness may be used by that county for any lawful purpose.

(2) Second, to each city, the population of which is determined under Section 11005.3 on August 5, 2004, in an amount equal to the additional amount of vehicle license fee revenue, including offset transfers, that would be allocated to that city under Sections 11000 and 11005, as those sections read on January 1, 2004, as a result of that city's population being determined under subdivision (a) or (b) of Section 11005.3.

(3) Third, to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount equal to the product of the following two amounts:

(A) The quotient derived from the following fraction:

(i) The numerator is the product of the following two amounts:

(I) Fifty dollars (\$50) per year.

(II) The fraction determined as the total amount of vehicle license fee revenue collected during the most recent fiscal year divided by the total amount of vehicle license fee revenue collected during the 2004—05 fiscal year.

(ii) The denominator is the fraction determined as the actual population, as defined in subdivision (d) of Section 11005.3, of all cities during the most recent fiscal year, divided by the actual population, as defined in subdivision (d) of Section 11005.3, of all cities in the 2004—05 fiscal year.

(B) The city's population determined in accordance with Section 11005.3.

(4) Fourth, to each city that was incorporated before August 5, 2004, in an amount equal to the product of the following two amounts:

(A) The quotient derived from the following fraction:

(i) The numerator is the product of the following two amounts:

(I) Fifty dollars (\$50) per year.

(II) The fraction determined as the total amount of vehicle license fee revenue collected during the most recent fiscal year divided by the total amount of vehicle license fee revenue collected during the 2004—05 fiscal year.

(ii) The denominator is the fraction determined as the actual population, as defined in subdivision (d) of Section 11005.3, of all cities during the most recent fiscal year, divided by the actual population, as defined in subdivision (d) of Section 11005.3, of all cities in the 2004—05 fiscal year.

(B) The actual population, as defined in subdivision (e) of Section 11005.3, residing in areas annexed after August 5, 2004, as of the date of annexation.

(5) Fifth, to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the Demographic Research Unit of the Department of

Finance. For the purpose of this subdivision, the population of each city or city and county shall be determined in accordance with Section 11005.3.

**City incorporations;
determination
of population**

11005.3. (a) In the case of a city that incorporated on or after January 1, 1987, and before August 5, 2004, the Controller shall determine that the population of the city for its first 10 full fiscal years, and any portion of the first year in which the incorporation is effective if less than a full fiscal year, is the greater of either:

(1) The number of registered voters in the city multiplied by three. The number of registered voters shall be calculated as the effective date of the incorporation of the city.

(2) The actual population, as defined in subdivision (d).

(b) In the case of a city that incorporated on or after January 1, 1987, and before August 5, 2004, and for which the application for incorporation was filed with the executive officer of the local agency formation commission pursuant to subdivision (a) of Section 56828 of the Government Code on or after January 1, 1991, the Controller shall determine that the population of the city for its first seven full fiscal years, and any portion of the first year in which the incorporation is effective if less than a full fiscal year, is the greater of either:

(1) The number of registered voters in the city multiplied by three. The number of registered voters shall be calculated as of the effective date of the incorporation of the city.

(2) The actual population, as defined in subdivision (d).

(c) In the case of a city that was incorporated from unincorporated territory after August 5, 2004, the Controller shall determine the population of the city as follows:

(1) For its first 12 months, 150 percent of the city's actual population.

(2) For its 13th through 24th months, 140 percent of the city's actual population.

(3) For its 25th through 36th months, 130 percent of the city's actual population.

(4) For its 37th through 48th months, 120 percent of the city's actual population.

(5) For its 49th through 60th month, 110 percent of the city's actual population.

(6) After its 60th month, the city's actual population.

(d) For purposes of this section, "actual population" means the population determined by the last federal decennial or special census, or a subsequent census validated by the Demographic Research Unit of the Department of Finance or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code.

(e) In the case of unincorporated territory being annexed to a city, during the 10-year, 7-year, or 5-year period following incorporation, as the case may be, subsequent to the last federal census, or a subsequent census validated by the Demographic Research Unit of the

Department of Finance, the unit shall determine the population of the annexed territory by the use of any federal decennial or special census or any estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. The population of the annexed territory as determined by the Demographic Research Unit shall be added to the city's population as previously determined by the Controller pursuant to paragraph (1) or (2) of subdivision (a), paragraph (1) or (2) of subdivision (b), or subdivision (c), as applicable.

(f) After the 10-year, 7-year, or 5-year period following incorporation, as the case may be, the Controller shall determine the population of the city as the city's actual population, as defined in subdivision (d).

(g) The amendments made to this section by the act adding this subdivision shall not apply with respect to either of the following:

(2) Any city that has not prepared and adopted a housing element in compliance with Section 65585 of the Government Code.

(h) This section shall become operative July 1, 1991.

APPENDIX A: LAFCO CONTACT INFORMATION

CALAFCO

Pamela Miller, Executive Director
1020 12th Street, Suite 222
Sacramento, CA 95814
Ph: 916/442-6536 Fax: 916/442-6535
www.calafco.org

Alameda

Rachel Jones, Executive Officer
224 West Winton, Suite 110
Hayward, CA 94544
Ph: 510/670-6267 Fax: 510/272-3784
www.acgov.org/lafco

Alpine

Teola Tremayne, Executive Officer
P.O. Box 158
99 Water Street
Markleeville, CA 96120
Ph: 530/694-2281 Fax: 530/694-2491
<https://alpinecountyca.gov/185/Local-Agency-Formation-Commission-LAFCO>

Amador

Roseanne Chamberlain, Executive Officer
P.O. Box 22-1292
Sacramento, CA 95822-1292
Ph: 209/418-9377
www.amadorgov.org/government/lafco

Butte

Stephen Lucas, Executive Officer
1453 Downer Street, Suite C
Oroville, CA 95965-4950
Ph: 530/538-7784 Fax: 530/538-2847
www.buttelafco.org

Calaveras

John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746
Ph: 209/754-6511 Fax: 209/754-6333
www.calaveraslafco.org

Colusa

John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746
Ph: 530/458-0593 Fax: 916/797-7631
www.colusalafco.org

Contra Costa

Lou Ann Texeira, Executive Officer
40 Muir Road, 1st Floor
Martinez, CA 94553
Ph: 925/313-7133
www.contracostalafco.org

Del Norte

George Williamson, AICP, Executive Officer
1125 16th Street, Suite 202
Arcata, CA 95521
Ph: 707/825-9301 Fax: 707/825-9181
www.delnortelafco.org

El Dorado

Erica Sanchez, Interim Executive Officer
550 Main Street, Suite E
Placerville, CA 95667
Ph: 530/295-2707 Fax: 530/295-1208
www.edlafco.us

Fresno

David E. Fey, Executive Officer
2607 Fresno Street, Suite B
Fresno, CA 93721
Ph: 559/600-0604 Fax: 559/495-0655
www.fresnolafco.org

Glenn

Steve Betts, Interim Executive Officer
525 W. Sycamore Street, Suite B1
Willows, CA 95988
Ph: 530/864-2541 Fax: 530/934-6533
www.glennlafco.com

Humboldt

Colette Metz Santsche, Executive Officer
1125 16th Street, Suite 202
Arcata, CA 95521
Ph: 707/445-7508 Fax: 707/825-9181
www.humboldtlafoo.org

Imperial

Jurg Heuberger, CEP, Executive Officer
1122 State Street, Suite D
El Centro, CA 92243
Ph: 760/353-4115
www.iclafoo.com

Inyo

Cathreen Richards, Executive Officer
Post Office Drawer L
Independence, CA 93526
Ph: 760/878-0263 Fax: 760/872-2712
<https://www.inyocounty.us/services/planning-department/lafoo>

Kern

Blair Knox, Executive Officer
5300 Lennox Avenue, Suite 303
Bakersfield, CA 93309
Ph: 661/716-1076 Fax: 661/716-1080
www.kerncounty.com/lafoo

Kings

Chuck Kinney, Executive Officer
1400 West Lacey Boulevard
Hanford, CA 93230
Ph: 559/852-2680 Fax: 559/584-8989
www.kingslafoo.com

Lake

John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746
Ph: 707/592-7528 Fax: 916/797-7631
www.lakelafoo.org

Lassen

John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746
Ph: 530/257-0720 Fax: 916/797-7631
www.lassenlafoo.org

Los Angeles

Paul Novak, AICP, Executive Officer
80 South Lake Avenue, Suite 870
Pasadena, CA 91101
Ph: 626/204-6500 Fax: 626/204-6507
www.lalafoo.org

Madera

David Braun, Executive Officer
200 West Fourth Street
Madera, CA 93637
Ph: 559/675-7821 Fax: 559/675-6573
<https://www.maderacounty.com/government/madera-lafoo>

Marin

Jason Fried, Executive Officer
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903
Ph: 415/448-5877 Fax: 415/785-7897
<https://www.marinlafoo.org/>

Mariposa

Sarah Williams, Executive Officer
P.O. Box 2039
Mariposa, CA 95338
Ph: 209/742-1215 Fax: 209/742-5024
<http://www.mariposacounty.org/121/Local-Agency-Formation-Commission-LAFCo>

Mendocino

Uma Hinman, Executive Officer
200 South School Street, Suite F
Ukiah, CA 95482
Ph: 707/463-4470 Fax: 707/462-2088
www.mendolafoo.org

Merced

Bill Nicholson, Executive Officer
2222 M Street
Merced, CA 95340
Ph: 209/385-7671 Fax: 209/726-1710
www.lafcomerced.org

Modoc

John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746
Ph: 530/233-9625 Fax: 916/797-7631
www.modoclafco.org

Mono

Gerry Le Francois, Executive Officer
P.O. Box 347
Mammoth Lakes, CA 93546
Ph: 760/924-1800 Fax: 760/924-1801
www.monocounty.ca.gov/lafco

Monterey

Kate McKenna, AICP, Executive Officer
P.O. Box 1369
132 West Gabilan Street, Suite 102
Salinas, CA 93902
Ph: 831/754-5838 Fax: 831/754-5831
<https://www.co.monterey.ca.us/government/government-links/lafco>

Napa

Brendon Freeman, Executive Officer
1754 Second Street, Suite C
Napa, CA 94559-2450
Ph: 707/259-8645 Fax: 707/251-1053
www.napa.lafco.ca.gov

Nevada

SR Jones, Executive Officer
950 Maidu Avenue, Suite 270
Nevada City, CA 95959
Ph: 530/265-7180 Fax: 530/265-9862
www.mynevadacounty.com/lafco

Orange

Carolyn Emery, Executive Officer
2677 North Main Street, Suite 1050
Santa Ana, CA 92705
Ph: 714/640-5100 Fax: 714/640-5139
www.oclafco.org

Placer

Michelle McIntyre, Executive Officer
110 Maple Street
Auburn, CA 95603
Ph: 530/889-4097
www.placer.ca.gov/lafco

Plumas

Jennifer Stephenson, Executive Officer
5050 Laguna Blvd. Ste. 112-711
Elk Grove, CA 95758
Ph: 530/283-7069 Fax: 888/501-0395
www.plumaslafco.org

Riverside

Gary Thompson, Executive Officer
6216 Brockton Ave., Suite 111-B
Riverside, CA 92506
Ph: 951/369-0631
www.lafco.org

Sacramento

José C. Henríquez, Executive Officer
1112 I Street, Suite 100
Sacramento, CA 95814-2836
Ph: 916/874-6458 Fax: 916/854-9099
www.saclafco.org

San Benito

Bill Nicholson, Executive Officer
2301 Technology Parkway
Hollister, CA 95023
Ph: 831/631-5313 Fax: 805/647-7647
www.cosb.us/departments/lafco

San Bernardino

Samuel Martinez, Executive Officer
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415
Ph: 909/388-0480 Fax: 909/388-0481
www.sbclafco.org

San Diego

Keene Simonds, Executive Officer
9335 Hazard Way, Suite 200
San Diego, CA 92123
Ph: 858/614-7755 Fax: 858/614-7766
www.sdlafco.org

San Francisco

Bryan Goebel, Executive Officer
1 Dr. Carlton B. Goodlett Place, Room 409
San Francisco, CA 94102-4689
Ph: 415/554-6756 Fax: 415/554-5163
www.sfgov.org/lafco

San Joaquin

James Glaser, Executive Officer
509 West Weber Avenue, Suite 420
Stockton, CA 95203
Ph: 209/468-3198 Fax: 209/468-3199
www.sjgov.org/lafco

San Luis Obispo

Rob Fitzroy, Executive Officer
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401
Ph: 805/781-5795 Fax: 805/788-2072
www.slolafco.com

San Mateo

Martha Poyatos, Executive Officer
455 County Center, 2nd Floor
Redwood City, CA 94063
Ph: 650/363-4224 Fax: 650/363-4849
www.sanmateolafco.org

Santa Barbara

Mike Prater, Executive Officer
105 East Anapamu Street, Room 407
Santa Barbara, CA 93101
Ph: 805/568-3391 Fax: 805/568-2249
www.sblafco.org

Santa Clara

Neelima Palacherla, Executive Officer
777 North First Street, Suite 410
San Jose, CA 95112
Ph: 408/993-4705
www.santaclaralafco.org

Santa Cruz

Joe Serrano, Executive Officer
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060
Ph: 831/454-2055
www.santacruzlafco.org

Shasta

George Williamson, Executive Officer
999 Mission De Oro Drive, Suite 106
Redding, CA 96003
Ph: 530/242-1112 Fax: 530/242-1113
www.shasta.lafco.ca.gov

Sierra

Tim H. Beals, Executive Officer
P.O. Box 530
Downieville, CA 95936
Ph: 530/289-3251 Fax: 530/289-2828
www.sierracounty.ca.gov/341/Local-Agency-Formation-Commission

Siskiyou

Rachel Jereb, Executive Officer
806 South Main Street
Yreka, CA 96097
Ph: 530/841-2100 Fax: 830/841-4076
<https://www.co.siskiyou.ca.us/lafco>

Solano

Rich Seithel, Executive Officer
675 Texas Street, Suite 6700
Fairfield, CA 94533
Ph: 707/439-3897 Fax: 707/438-1788
www.solanola Alco.com

Sonoma

Mark Bramfitt, Executive Officer
111 Santa Rosa Avenue, Suite 240
Santa Rosa, CA 95404
Ph: 707/565-2577
www.sonoma Alco.org

Stanislaus

Sara Lytle-Pinhey, Executive Officer
1010 Tenth Street, 3rd Floor
Modesto, CA 95354
Ph: 209/525-7660 Fax: 209/525-7643
www.stanislaus Alco.org

Sutter

John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746
Ph: 707/592-7528 Fax: 530/822-7109
www.sutter Alco.org

Tehama

Kristen Maze, Executive Officer
444 Oak Street, Room I
Red Bluff, CA 96080
Ph: 530/527-2200 Fax: 530/527-2655
www.co.tehama.ca.us/lafco

Trinity

Colette Metz Santsche, Executive Officer
1125 16th Street, Suite 202
Arcata, CA 95521
Ph: 707/825-8260 Fax: 530/623-1353
www.trinity Alco.org

Tulare

Ben Giuliani, Executive Officer
210 North Church Street, Suite B
Visalia, CA 93291
Ph: 559/623-0450 Fax: 559/733-6720
<http://lafco.co.tulare.ca.us/lafco>

Tuolumne

Quincy Yaley, Executive Officer
2 South Green Street, Fourth Floor
Sonora, CA 95370
Ph: 209/533-5633 Fax: 209/533-5616
www.tuolumnecounty.ca.gov/143/Local-Agency-Formation-Commission

Ventura

Kai Luoma, Executive Officer
801 S. Victoria Avenue, Suite 301
Ventura, CA 93003
Ph: 805/654-2576 Fax: 805/477-7101
www.ventura.lafco.ca.gov

Yolo

Christine Crawford, AICP, Executive Officer
625 Court Street, Suite 107
Woodland, CA 95695
Ph: 530/666-8048
www.yolola Alco.org

Yuba

John Benoit, Executive Officer
915 8th Street, Suite 130
Marysville, CA 95901
Ph: 530/749-5467 Fax: 530/740-4836
www.yubala Alco.org

APPENDIX B: LAFCO-RELATED PUBLICATIONS

2020 TO PRESENT PUBLICATIONS

CALAFCO White Paper. *Metamorphosis of Special Districts*. Sacramento: CALAFCO, July 2021.

2010 TO 2019 PUBLICATIONS

Barclay, Cecily Talbert. "Local Agency Formation Commissions: Local Agency Boundary Changes." Chap. 14 in *Curtin's California Land Use and Planning Law*. 36th ed. Point Arena, CA: Solano Press Books, 2018.

CALAFCO White Paper. *Creating Sustainable Communities and Landscapes*. Sacramento: CALAFCO, October 2018

CALAFCO White Paper. *State of the Art on Agricultural Preservation*. Sacramento: CALAFCO, February 2018

CALAFCO White Paper. *Sustainable Groundwater Management Act and Local Agency Formation Commissions*. Sacramento: CALAFCO, December 2016.

League of California Cities. *The California Municipal Revenue Sources Handbook: 2014 Edition*. Sacramento: League of California Cities, 2014.

San Diego Local Agency Formation Commission. "*LAFCO Procedures Guide*" 2013 Special Edition.

Senate Governance and Finance Committee. "*50 Years of LAFCOs*." 2013 permanent update, 2019 update.

Senate Local Government Committee. "What's So Special About Special Districts?" Fourth Edition: October 2010. (<http://sgf.senate.ca.gov/publications>)

2000 TO 2009 PUBLICATIONS

CALAFCO White Paper. *The Good, the Bad and the Confusing: Current Protest Requirements under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000*. Sacramento: CALAFCO, October 2009.

Knox, John H. and Chris Huchinson. "Municipal Disincorporation in California." *Public Law Journal (State Bar of California): Volume 32, No. 3, Summer 2009*.

League of California Cities. "Municipal Organization and Reorganization." §1.2 in *The California Municipal Law Handbook*, Sacramento: League of California Cities, 2009.

CALAFCO White Paper. *Newly Incorporated Cities: Successfully Transitioning to Cityhood*. Sacramento: CALAFCO, September 2008.

Governor's Office of Planning and Research. *A Guide to the LAFCO Process for Incorporations*. Sacramento: Governor's Office of Planning and Research, 2003.

Detwiler, Peter M. "Annexation and Boundary Issues." Chap. 73 in *California Environmental Law and Land Use Practice*, edited by Daniel Selmi and Kenneth Manaster. New York: Matthew Bender & Co., 2001.

Commission on Local Governance for the 21st Century. *Growth Within Bounds*. Sacramento: Commission on Local Governance for the 21st Century, 2000.

PRE-2000 PUBLICATIONS

Governor's Office of Planning and Research. *LAFCOs, General Plans, and City Annexations*. Sacramento: Governor's Office of Planning and Research, 1997.

Graves, Dennis. "Annexations and Other Boundary Changes." Chap. 7 in *Longtin's California Land Use*. 2nd ed. Berkeley: Local Government Publications, 1987, 2013 permanent update, 2019 update.

INDEX

This publication is indexed by code section rather than by page number. An index of related sections of the Revenue and Taxation Code appears at the end.

<u>Term/Procedure</u>	<u>Government Code Section</u>
Adverse or pecuniary interest	56331.4 56384
Affected city	
- Defined	56011
Affected county	
- Defined	56012
Affected district	
- Defined	56013
Affected local agency	
- Defined	56014
Affected territory	
- Defined	56015
Agricultural land	
- Defined	56016
- Effect on, factor to be considered	56668
- Farmland security zones	See Farmland security zones
- Island annexation restriction	56375
- Policies and priorities	56377
- Prime agricultural land	56064
- Sphere of influence determination	56425
- Urban service area restriction	56375
- Williamson Act contracts	See Williamson Act
Alternate members	
- Voting	56331.3
Amendments	56897 56898
Annexation	
- Annexation to a city of agricultural lands	See Williamson Act

- City, petition for, signature requirements	56767
- Cupertino, City of	56747
- Conducting authority, notice	57025
- Conducting authority resolution	
- Landowner voter district	57076
- Registered voter district	57075
- Confirmation election	56759
- Consistent with policies	56375 (a)
- Consistent with sphere	56375.5
- County roads become city streets, conditions	57329
- Defined	56017
- Detachment	56751
- Confirmation	56742
- Distinct communities	57078.5
- District authority to terminate	56857
- District, findings	56668.3
- District, petition for, signature requirements	56864
- Effect of	57330 et seq.
- Election	
- Expenses, payment of	57150
- Required	56759
- Expiration of authority for proceedings	57001
- Extension of tax or assessment	57330
- Farmland security zones	
- Improper disapproval	56750
- Fire protection district	56855
- Hearing, notice	56755
- Inside/outside election, city annexation	56759
- Inside/outside election, district annexation or detachment	56876
- Liability of annexed area	57328
- Los Angeles County, annexation to city of 100,000 in	
- Petition, notice of intent	56760
- Protest, resolution finding	57075.5
- Signatures	
- Requirements	56767
- Time limit	56705
- Special reorganization	56075.5
- Noncontiguous territory	56375.3
	56742
- Powers and duties	56375
- Protest proceeding waiver	56663
- Resolution of application	56756
- Restrictions	56741
- Sales of first-annexed territory	56742
- Santa Clara County	56757
- Signature requirements	56767
- Standards for evaluating proposals	56375
- State correctional facilities	56742.5
- State correctional training facilities	56742.5

- Tidelands and submerged lands	56740
- Unincorporated territory	56744
- Voter	
- Confirmation	56737
Application	
- Certificate of filing for	56658
- Contents	56652
- Incomplete, notice	56658
- Multi-county district	56658
- Processing fee	56383
- Resolution of	See Resolution of application
- Submitted to executive officer	56658
Application to amend commission resolution	See Reconsideration
Appropriations limit	
- City incorporation, provisional and permanent	56812
- District formation	56811
Assembly or Senate districts	
- Effect of change of organization	57300
Assessed value	
- Estimate furnished by assessor	56126
- How determined for public agency, joint tenancy, new owner	56710
Assessment roll	
- Last equalized	56051
- Next equalized	56057
Assessment District	See Special Assessment District
Assessments	
- Extension of previously authorized	56886
- Notice to landowners	57025
Attorneys	56384
Audits and auditors	56381
Automatic merger doctrine	56116
Ballot	
- Ballot pamphlet	57148
- Canvass	57149
- Effect of terms	57135
- Form of question	57133
- Mail ballot, date of election	57132

- Merger and subsidiary district	57138
- Question for member district	57136
- Rebuttal arguments	57147
- Terms and conditions	57134
- Voting squares	57137
- Written arguments, filing	57145
Ballot propositions	
- Powers and duties	56898
Board of directors	
- Defined	56019
Board of Equalization	See State Board of Equalization
Board of supervisors	
- As conducting authority	56029
- Defined	56020
- Members on commission	56325
Bondholders	
- Rights of	56121
Bonds	
- Conditional approvals	56886
Boundary changes	
- Notice to agencies	56700.4
Budget	56381
- Operational costs, apportionment	56381.6
Certificate of completion	
- Change deemed complete upon execution	56102
- Contents	57201
- Defined	56020.5
- Filings, notice	57200
- One year deadline after authorization	57001
- Recordation	57203
Certificate of filing	
- Commission proceedings initiated on date issued	56651
- Issued upon complete application	56658
Certificate of sufficiency	56706
Certificate of termination of proceedings	57179
- Defined	56020.7

Change of organization or reorganization

- Application to initiate proceedings	56658
- Commission decision	56880 et seq.
- Adoption of resolution	56880
- Amendment	56897 et seq.
- Determinations	56880 et seq.
- Reconsideration	56895 et seq.
- Terms and conditions	56885 et seq.
- Commission's powers	56834
- Committee	
- Defined, special district	56823
- Committee, commission encouraged to use	56853
- Committee, membership	56837
- Conditional approval	56885.5
- Conducting authority proceedings	
- Completion and effective date of change of organization or reorganization	57200 et seq.
- Conduct of hearing	57050 et seq.
- Elections	57125 et seq.
- General	57000 et seq.
- Notice of hearing	57025 et seq.
- Resolution of conducting hearing	57075 et seq.
- Resolution confirming election results	57176 et seq.
- Resolution for order subject to election	57100 et seq.
- Confirmation election	56759
- Consistent with policies	56375 (a)
- Consistent with sphere	56375.5
- Defined	56021
	56073
	56823
- District formation as part of	56125
- Districts, commission authority to initiate	56375
- Districts, special provisions for	56853
- Duties of conducting authority	56886.3
- Effect of	57550
- On bondholders or other creditors	56122
- On multi-counties	56123
	56124
- Effective date	57202
- Election	
- Certificate of completion confirming results	57176
- Special reorganization	57176.1
- Compilation of votes	57143
- Confirmation	56759
- Consolidation or formation included, selection of officers	57139
- Expenses, payment	57150
- Voter entitlements	57142
- Within overlapping cities or districts	57128

- Enforceability	56122
- Expedited reorganization	56853.5
- Formation of new government, existing agencies	56886.5
- Hearing	
- Commission proceedings	56666
- Conducting authority proceedings	57002
- Independent special district	56821
	56821.1
	56821.3
	56821.5
	56822
- Notice	56123
	56658
	56853
- Petition for, signature requirements	56864.1
- Plan of	56826
- Public utility	56886.1
- Reorganization committee	56836-56849
- Santa Clara County, special provisions for	56757
- "Special reorganization" defined	56075.5
- Study	56834
- Terms and conditions	56886
- Without election	57111
	56853

Chief petitioners

- Notice to	56661
-------------	-------

City

- Annexation and other changes of organization	56737 et seq.
- Defined	56023
- Incorporation proceeding	56720 et seq.
- Initiation by petition	56760 et seq.
- Minimum population of 500	56043
- Special reorganization	56730 et seq.

City council

- As board of directors of subsidiary district	57534
- Defined	56024
- Districts, adjustment of boundaries	57301
- Terms of office, new city	57377
- Terms where general election held less than year after incorporation election	57379

City officer

- Defined	56025
- Election	56724
- Comprehensive fiscal analysis	56803

- Terms of office, new city	57377
City rezoning	56375
City selection committee	56335
City streets	
- Acceptance of county roads upon annexation or incorporation	57329
	57385
Clerical error	56883
Clerk	
- Defined	56026
Coastal Commission	56887
Coastal zones	
- Local coastal programs, certification	56887
Commission	
- Ability to request information and data	56378
	56386
- Annual budget	56381
- Appointment of public member by commission with district members	56333
- Chairperson	56334
- City or county member while holding elected office	56337
- Composition	
- Alternate district member	56332
- Alternate public member	56331
- County with no city	56329
- Cupertino, City of	56747
- District members, addition of	56332
- General	56325
- Independent special districts	56332
	56332.5
- Kern County	56328.5
- Los Angeles County	56326
- Public member, restrictions	56331
- Sacramento County	56326.5
- San Diego County	56328
- Santa Clara County	56327
	56327.3
- Terms of commissioner	56334
- Costs, operational	56381.6
- Defined	56027
- Determinations	56375.5
- Disqualification	56336
- Disapproval of proposal	56884

- Employee benefits	56385
- Exclusive jurisdiction	56123
- Executive officer, appointment	56384
- Expenses, reimbursement	56334
- Farmland security zones	56749
- Formation of and selection of commissioners	56325 et seq.
- Funding	56381.6
- General	56300 et seq.
- Hearing regulations	56375
- Independent special district selection committee	56332
- Legal counsel, appointment, conflict of interest	56384
- Legislative intent	56300
- Lobbying disclosure policies	56300 (c)
- Members, independent judgment	56331.4
- Meetings, transcript of	56379
- Personnel and facilities	56380
- Powers and duties	56375 et seq.
- Principal county	56123
	56124
- Processing fees	56383
- Purposes	56301
- Records, destruction	56382
- Review of proposals	56375
- Spheres of influence	56425 et seq.
- Staff	56384
- Studies of existing agencies	56378
- Term of office	56334

Commission proceedings

- Application	
- Amend resolution	56895
- Initiate proceedings	56658
- Approval without notice	56663
- Conditional approval	56885.5
- Conflicting proposals	
- Defined	56028
- Determinations without notice and hearing	56662
- Disapproval, waiting period	56884
- Factors to be considered	56668
- Findings, incorporation	56720
	56803
- Hearing	56666
- Incorporations resulting in revenue loss	56667
- Notice of hearing	56660
- Mailed notice	56661
- Voluntary notice and hearing	56664
- Permitted terms and conditions	56886
- Plan for providing services	56653
- Regional growth goals and policies	56668.5

- Resolution of application	56654
- Resolution making determinations	56880
- Review of application, report	56665
- Review of proposals, factors considered	56668
- Factors to be considered by commission	56668.3
- Waiver of conducting authority proceedings	56663
- Waiver of waiting period for new proposal	57090
Compensation and salaries	
- Employee benefits	56886
- Per diem, expenses	56334
Completion, certificate of	
- Change deemed complete upon execution	56102
- Contents	57201
- Filings, notice	57200
- Recordation, time limits, failure to comply	57203
Comprehensive fiscal analysis	
- Contents	56800
- Controller's review of	56801
- Election of city officials	56803
- Mountain House Community Services District	56802
Conditions	56886
Conducting authority	
- Defined	56029
- Reorganization proceedings	57000 et seq.
Conducting authority proceedings	
- Annexation of multiple communities	57078.5
- Authority to approve without notice, hearing, or election	57002
- Certificate of completion	57200
- Confirmation of change	57176
- Compliance with commission resolution	57000
- Conflicting proposal	57003
- Disclosure of expenditures and contributions for political activity	57009
- District annexation, options	56668.3
- District formation proceedings	57007
- Effective date of change of organization	57202
- Exclusion of lands, improvement district	56886.3
- Expenditures and contributions, disclosure	57009
- General	57000
- Hearing in affected territory	57008
- Hearing, continuance	57050
- Majority protest	57078
- Notice of election	57130
- Notice of hearing, contents	57026

- Notice of hearing, to whom given	57025
- Notice to landowners	57025
- Proceedings abandoned	57001
- Protest	57051
- Reorganization proceedings	57000 et seq.
- Resolution calling election, contents	57115
- Resolution, contents	57100
- Special reorganization	57176.1
- Resolution of	57075 et seq.
- Cities and registered voter districts: annexation, detachment, county service area formation	57075
- Dissolution, disincorporation, incorporation, subsidiary district, establishment, merger, consolidation	57077
- Landowner voter districts, annexation or detachment	57076
- Reorganization	57077
- Resolution sent to executive officer, examination for compliance	57200
- Resolution terminating proceedings	57179
- Termination, time for new proposal	57090
- Time to set hearing	57002
- Waiver by commission, conditions	56663

Conflicting proposals

- Incorporation, district proposals, approval of	56657
- Priority	56655

Consolidation

- Cities, effect of	57475 et seq.
- Cities, petition for, signature requirements	56766
- Cities, resolution calling for election, contents	57117
- Defined	56030
- Districts, commission authority to initiate	56375
- Districts, effect of	57500
- Districts not formed pursuant to the same principal act	56700
	56826.5
- Districts, petition for, signature requirements	56865
- Districts, special provisions for	56853
- Election expenses, payment	57150
- Liability, debts of predecessor	57502
- Resolution confirming	57177.5
- Selection of officers	57150
- Without election	
- Notice and hearing of material changes	56853

Contiguous

- Annexation, requirements	56741
- Defined	56031
- Must be contiguous unless specified by principal act	56119

Continuance

- Authorization to conducting authority	56885
- Commission hearing	56666
- Conducting authority hearing	57050
Contract service	See Outside service, city or district
Contributions and expenditures	
- Disclosure	56100.1
	56700.1
	57009
Controller	
- Review of incorporation fiscal analysis	56801
Corrections	
- Reconsideration	56895
- Resolutions	56883
County officer	
- Defined	56032
- Member of a commission	56337
County roads	
- Acceptance as city streets	57329
- Conditions	57385
County service area	
- Automatic detachment, waiver of	56375
- Formation without notice, hearing or election	56663
- Latent powers	56425 (i)
- Zones	56036 (a)
Cupertino, City of	
- Annexation to	56747
Deannexation	See Detachment
Definitions	56010 et seq.
Destruction of records	56382
Detachment	
- Agenda, commission meeting	56751
- City, petition for, signature requirements	56768
- Defined	56033
- District, petition for, signature requirements	56864
- Effect of	57350 et seq.
- Election expenses, payment	57150
- Entitlement to property	57353

- Liability for debts	57351
Directly regulate land use	56375
	56886
Disadvantaged unincorporated community	
- Annexation	56375
- Defined	56033.5
- Sphere determination	56425
- Service reviews	56430
Disincorporation	
- Appropriations limit	56814
- City written statement	56816
- Commission findings	56770
- Comprehensive fiscal analysis	56804
- Defined	56034
- Effect of	57400 et seq.
- General Plan	57426
- Notice to affected local agency	56658
- Petition for, signature requirements	56765
- Plan for services	56653.1
- Property tax exchange	56813
- Transfer of public property	57401
- Zoning ordinances	57426
Disqualification	56335
Dissolution	
- Assets for benefit of area	57463
- Commission authority to initiate	56375
- Defined	56035
- Determination of successor agency	57451
- Distribution of remaining assets	57457
- Effect of	57450
- Election expenses, payment	57150
- Hospital districts, election	57103
- Non-user of corporate powers	56871
- Petition for, signature requirements	56870
- Powers and duties of successor	57453
- Resolution ordering, findings	57102
- Without election	57077.1
Elections	
- By district, from district, or at large	57116
- Canvass of ballots, report to LAFCO and conducting authority	57149
- Computation of votes: merger, subsidiary district, or reorganization	57143
- Conditional approvals	56885.5
	56886
- Consolidation and formation, selection of officers	57139

- Date for submittal, notice	57146
- District annexation or detachment, commission determination	56876
- Effect of terms	57135
- Election call to executive officer, impartial analysis	57144
- Election date	57132
- Election date, mail ballot elections	57132
- Elections Code reference	57125
- Entitlements, merger or subsidiary district election	57141
- Entitlements, reorganization election	57142
- Exception to election requirement	56853
- Expenses	57150
- Form of ballot question	57133
- Generally	57125
- Inside/outside, commission duty to require	56375
- Island annexations	56375
- Landowner voter district	57126
- Landowner voter district election within city or registered voter district	57127.5
- Member district	57136
- Merger and subsidiary district, ballot	57138
- Notice of election	57130
- Official, defined	56037.5
- Pamphlets sent to voters	57148
- Payment of election expenses	57150
- Principal act references	57127
- Rebuttal arguments	57147
- Reorganization within overlapping cities or districts	57128
- Resolution confirming order, failure to adopt within 30 days	57176
- Special reorganization	57176.1
- Resolution ordering subject to election	57100
- Annexations to a city	57101
- Hospital districts	57103
- Special reorganization elections	57119
- When held	57132.5
- Terms and conditions in ballot question	57134
- Voter approval, proposal to furnish gas or electric service	56129
- Voter entitlements	57140
- Voting squares	57137
- Written arguments, filing	57145
Elections official	
- Defined	56037.5
Electronic copies	
- Records and recordation	56382
Equipment	56380
Establishment of subsidiary district	See Subsidiary district

Executive officer	
- Appointment of	56384
- Defined	56038
- Information requests	56386
- Report of	56665
See also Application, Certificate of completion, Certificate of filing, Impartial analysis	
Expenses and expenditures	56375
	56380
- Apportionment	56381.6
- Disclosure	56100.1
	56700.1
	57009
- Reimbursement	56334
Extraterritorial services	
- Fire protections services by contract	56134
- Outside agency agreements	56133
	56375
- Pilot program for Napa and San Bernardino commissions	56133
Factors to be considered	56668
Farmland security zones	
- Improper disapproval	56750
- Landowner petitions	56749
- Special district, reorganization	56856
Feasible	
- Defined	56038.5
Federal aid	56378
Fee schedules	56383
Fees	
- Commission processing	56383
- Extension of previously authorized	56886
- Petition, to check sufficiency	56383
Filing, certificate of	
- Commission proceedings initiated on date issued	56651
- Issued upon complete application	56658
Financial assistance	56378
Findings and declarations	56000

Fire protection districts	
- Annexation, contract	56855
- Division of assets	56848
- Effect of conditions	56848
- Service zone not a district	56036
Fiscal analysis	
- Comprehensive fiscal analysis	56800
- Election of city officers	56803
- Mountain House Community Services District	56802
- Review and report by Controller	56801
Fiscal provisions	
- Comprehensive fiscal analysis	56800 et seq.
- Property tax exchange	56810 et seq.
- Revenue neutrality	56815 et seq.
Forestry and Fire Protection, State Department of	
- LAFCO notice to	56661
Formation, district	
- Alternative proposal, resolution of intention	56862
- Appropriations limit	56811
- As part of reorganization	56125
- Follows principal act	57007
- Formation	
- Proceedings	56859
- Proposal by petition	56860
- Name, proposed	56860.5
- Property tax exchange	56810
- Resolution of determination	56863
- Selection of officers	57139
- Standards for evaluating service plans	56375
- Subsidiary district	56861
See also Application	
Function	
- Defined	56040
Funds	56381
- Conditional approvals	56886
Gann limit	See Appropriations
Gas or electric service	
- Change of organization	56131

- Defined	56129
Goals	
- Regional growth goals	56668.5
Goleta Sanitary District reorganization	56853
Goleta West Sanitary District reorganization	56853
Grants	
- Acceptance	56378
Harbor Area special reorganization fiscal analysis	56728.5
Hearings	56885
- Commission	56666
- Conducting authority	57050
- In affected territory	57008
- Island proceedings, on resolution of application	56755
- Notice of	See Notice
- Reconsideration	56895
Health care districts	
- Application for change of organization or reorganization, notification of state agencies	56131.5
- Dissolution	57103
Housing	
- Regional housing needs	56668
Impartial analysis	
- Content, commission review	56898
- Election call to executive officer	57144
Improvement district	
- Defined	56041
- Exclusion of lands by conducting authority	56886.3
- Formation of or annexation to or detachment from	
- As condition	56886
- Procedure	56125
Inactive district	
- Dissolution	56879
- Defined	56042
Incorporation	
- Appropriations limit	56812
	57120
- Commission findings on	56720
	56803

- Comprehensive fiscal analysis	56800
- Conducting authority action	57077
- Conflicting proposals	56657
- Continuance of county services after incorporation	57384
- Cost/revenue neutrality required	56815
- Council terms where general election less than one year after incorporation election	57379
- County roads become city streets, conditions	57385
- Defined	56043
- Delayed election of city officers	56724
- Determination of population	R & T Code 11005.3
- District elections	57378
- Effect of	57379 et seq.
- Effective date, limitations	57202
- Election	
- City officers	56724
- Expenses, payment	57150
- Findings, proposed incorporation	56720
- Fiscal analysis	56800
- Guidelines	56815.2
- Name	56722
- New city council	
- City with population of 1,000,000 or over	56732
- Continuation of county ordinances	57376
- Notification	56658
- Petition for	
- Appointment of city officials	56723
- Name of city or town	56722
- Signature requirements	56860.5
- Process	56658
- Property tax exchange	56810
	56812
- Proposal processing	56658
- Referral to reorganization committee	56827
- Registered voters, when counted	56375
- Resolution confirming	57178
- Resolution ordering subject to election, contents	57116
- Restrictions	56741
- Revenue loss to cities or counties	56667
- Revenue neutrality	56815
- Service costs	56800
- Study, harbor area communities of City of Los Angeles	56657
- Terms of office, city council	57377
- Unincorporated territory	56744

Indebtedness

- Conditional approvals	56886
-------------------------	-------

Independent special district

- Change of organization or reorganization See **Change of organization
or reorganization**
- Defined 56044
- Officer 56045
- Representation on commission, proceedings for 56332.5
- Selection committee 56332

Inhabited territory

- Defined 56046

Initiate or initiation

- By petition 56760 et seq.
 - Signature requirements
 - Annexation 56767
 - Consolidation 56766
 - Detachment of territory 56768
 - Disincorporation 56765
 - Incorporation 56764
 - Special districts 56864 et seq.
- By resolution 56654
- Commission authority, districts 56375
- Defined 56047

Inside/outside election

- City annexation, requirement 56759
- Commission duty to require 56737
- District annexation or detachment, commission determination 56876

Interested agency

- Defined 56047.5
- LAFCO notice to 56658

Internet

56300
56661

Islands

- Annexation
 - Criteria for 56375.3
 - Limitation on proceedings 56375.4
 - Resolution of application, hearing on 56375.4
- Commission review of boundaries 56375
- Prohibition against creation 56744

Kern County

- Composition 56328.5

Labor and employment

- Conditional approvals 56886
- Special reorganizations 56888

Landowner	
- Defined	56048
Landowner voter	
- Defined	56049
Landowner voter district	
- Defined	56050
- Election within city or registered voter district	57127.5
- Elections, how governed	57126
See also District	
Landscape and lighting assessment district	
- City annexation, special notice	57200
Land use	
- Commission not to directly regulate	56375
Last equalized assessment roll	
- Defined	56051
Latent powers	
- Defined	56050.5
- Defined as change of organization	56021 (m)
- Identified with sphere actions	56425
- General	56824.10 et seq.
Legal representative	
- Defined	56052
Legal standard of review	56107
Legislative body	
- Defined	56053
Legislative policy	56001
Limitation of actions	
- Reconsideration	56895
Local agency	
- Defined	56054
Local agency formation commission	See Commission
Los Angeles County	
- Annexation to a city of 100,000 in	

- Petition, notice of intent	56760
- Protest, resolution making finding	57075.5
- Signatures, time limit	56705
- Commission composition	56326
- Incorporation of a new city, appropriation	56657
- Signature requirements, annexation	56767
Local coastal programs	
- Change of organization or reorganization	56887
Mail ballot elections	57132
Marin LAFCO Powers	56375.2
Member district	
- Alternative proposal	56118
- Automatic boundary change	56120
- Automatic merger doctrine	56116
- Ballot	57138
- Certificate of completion	57177
- Commission authority to initiate	56375
- Compilation of votes	57143
- Criteria for	57104
- Date for determining criteria	57106
- Defined	56055
- Election, ballot question	57136
- Effect of	57525
- Petition for, signature requirements	56866
- Termination, waiting period for new proposal	57112
- Use of funds of merged district	57533
- Voter entitlements	57141
Membership	56325 et seq.
Merger	
- All territory within city	57104
- Definition	56056
Mosquito abatement and vector control district	56036
Motor vehicle license fees	R & T Code 11005
Mountain House Community Services District	
- Comprehensive fiscal analysis	56802
Multi-county districts	
- Application, notice	56658
- Jurisdiction vested in commission of principal county	56123
- Jurisdiction vested in other than principal county	56124

Multiple proposalsSee **Conflicting proposals****Municipal officers and employees**

- Members and membership 56337

Municipal service reviews

56430

Next equalized assessment roll

- Defined 56057

Noncontiguous city-owned land

- City of Willits, special provisions for 56115.5
- General 56375

Noncontiguous state prison, annexation of

56742.5

Non-user of corporate powers

- Criteria for dissolution as 56871

Notice

- 100% consent proposal 56663
- Additional notice 56661
- Clerk or executive officer to give notice 56152
- Commission hearing 56660
- Commission proceedings 57025
- Contents 57026
- Electronic and mailed notice 56134 (k)
- Failure to receive 56160
- Format 57026
- Health care district proposals 56131.5
- Incomplete application 56658 (g)
- Individual notice 56123
- Intent to adopt resolution of application 56661
- Intent to adopt resolution of application 56654
- Intent to circulate petition 56700.4
 - Los Angeles County 56760
- Internet 56300
- Landowner, extension of tax 56661
- Mailed notice 57025
 - Address 56157
 - As first class mail 56155
 - Hearing 56156
 - Method 56155
 - Time 56156
 - To landowner 56125
 - To whom given 56157

- Means of	56150
- Notice of election	57130
- Notice of election, contents	57131
- Person authorized to give notice	56151
- Posted notice	
- Place	56158
- Time	56159
- Public notice	56157
- Publication	
- Newspaper of general circulation	56153
- Time	56154
- Reconsideration	56895
- Resolutions	56882
- Services by contract outside city and district jurisdictional boundaries	56133
- State Department of Conservation, director	56661 (g)
- State Department of Parks and Recreation, director	56131.7
- State Lands Commission	56740
- Validity of action	56160
- Written protest, notification	57026
Officers and employees	56375
	56384
- Benefits	56385
- Retirement and pensions	56385
Open space	
- Annexation to a city	
- Notice to Director of Conservation	56753.5
- Mailed notice of hearing	56661
- Succession to Williamson Act contracts	53738
	56752
	56754
- Conversion to other uses	56377
- Defined	56059
- Farmland security zones	
- Improper disapproval	56750
- Restrictions for district annexation	56856
	56749
- Policies and priorities	56377
- Use, defined	56060
Outside service, city or district	
- Commission approval of contract for	56133
Overlap, overlapping territory	56061
Owner of land	
- Defined	56048
Parent district	

- Automatic boundary change	56120
- Defined	56062
Permanent road division	
- Exclusion from definition of district	56036
Petition	
- Assessed value, how determined	56710
- Certificate of sufficiency	56706
- Expenditures and contributions, disclosure	56100.1
	56700.1
	57009
- Fee to check sufficiency	56383
- Filing	56703
- Form and content	56700
- Incorporation, appointment of city officials	56723
- Insufficient petition filed as public record	56709
- Landowner petition compared to last equalized assessment roll	56708
- Name of new city	56722
- Name of new district	56860.5
- Notice of intent to circulate	56700.4
- Public agency as landowner	56711
- Registered voter petition compared to voters' register	56707
- Requesting election on commission initiated proposal	57113
- Signature and date	56704
- Signature requirements	56705
- City annexation	56767
- City consolidation	56766
- City detachment	56768
- Disincorporation	56765
- District annexation/detachment	56864
- District consolidation	56865
- District dissolution	56870
- District dissolution, non-user of corporate powers	56871
- District formation	56860
- Incorporation	56764
- Landowners	56708
- Merger or subsidiary district	56866
- Reorganization	56864.1
- Signatures, time limit	56705
- Sufficiency	
- Examination and certification	56706
- Signed by owners of land	56710
- Supplemental petition	56706
Plan for services	56653
Plan of reorganization	
- Contents	56826
- Defined	56823

Policies

- Annexations, consistency with city policies	56375
- Annexations involving Williamson Act contracts	56426.5
	56856.5
- As factor in reviewing proposals	56668
- Commission required to adopt	56300
- Disclosure of expenditures	56100.1
- Incorporations, consistency with	56720
- Lobbying disclosure and reporting	56300
- Open-space land conversion	56377
- Regional growth, consideration of	56668.5
- Review and approval of proposals, consistency with	56375
- Spheres of influence, promoting orderly development within	56425

Powers

56375 et seq.

Rezoning

- Commission authority to require	56375
-----------------------------------	-------

Prime agricultural land

- Annexation to a city	
- Notice to Director of Conservation	56753.5
	56661
	56753
- Subject to Williamson Act contracts	56889
- Succession to Williamson Act contracts	56738
	56752
	56754
- Defined	56064
- Farmland security zones	
- Improper disapproval	56750
- Landowner petitions	56856
	56749
- Island annexation restriction	56375
	56375.3
- Policy to guide development away from	56377
- Urban service area annexation	56375

Principal act

- Defined	56065
- Formation proceedings	57007
- Reference to Cortese-Knox-Hertzberg Act	56119

Principal county

- Defined	56066
- Jurisdiction vested in commission of	56387
- Jurisdiction vested in other than	56388

Proceeding		
- Defined, for a change of organization or reorganization		56067
Processing fees		
- Commission		56383
Property		
- Assessed valuation		56126
- Conditional approvals		56886
- Revenue allocations	See Revenue and Taxation Code Section 95	
Property tax exchange		
- Annexations, detachments, and other boundary changes of local agencies	See Revenue and Taxation Code Sections 99 and 99.1	
- Determination		56810
- Formation of district		56811
- Incorporation of city		56812
- Revenue neutrality		56815
Proposal		
- Commission authority to initiate		56375
- Conflicting		56657
- Defined		56069
- Disapproval, waiting period		56884
- Factors to be considered		56668
- Initiation		56650
- Priority, two or more pending		56655
- Procedures and standards for evaluating		56375
See also Application and Proposal initiated by commission		
Proposal initiated by commission		
- Authority		56375
- Commission resolution approving, determinations		56881
- Conducting authority hearing in territory		57008
- Conflicting proposal		56657
- Consistent with sphere of influence or other study		56375
- Petition requesting election on		57113
- Reorganization committee encouraged		56853
- Standards and procedures		56375
- Hearing		57002
- Majority protest		57075
		57076
		57077
		57078

- Petition	56706
- Regularity of proceedings	56105
- Termination of proceedings	57090
- Thresholds, actions to be taken	
- Annexation, detachment, reorganization consisting solely of same, inhabited or uninhabited	57075
- Dissolution, incorporation, disincorporation, merger, establishment of subsidiary district, consolidation, reorganization	57077
- Landowner voter district	57076
- Special provisions, annexation to a city of 100,000 in Los Angeles County	57075.5
- Uninhabited territory, waiver	56663
- Written protest to proceeding	
- Contents, by whom filed, time for submittal	57051
- Determining value of	57052
- Notification of time to file	57026
- Withdrawal	57050

Protest proceedings

See **Conducting authority proceedings**

Public agency

- Defined	56070
-----------	-------

Public employees

- Special reorganizations	56734
---------------------------	-------

Public member

- Appointment, restrictions	56331
-----------------------------	-------

Public policy

56300

Public Utilities Commission

- Commission consideration of report	56875
- Proposal filed with	56131
- Report of	56129
	56131

Public utility

- Certificate of public convenience and necessity	56129
- Change of organization or reorganization	56886.1
- Proposal for inclusion in district	56129

Reconsideration

- Request for, fee	56383
- Request, procedure	56895

Records and recordation

- Destruction	56382
- Electromagnetic record of meetings	56379
- Meetings, transcript record	56379

- Photographic copies	56382
Recreation and park district	56036
Registered voter	
- Defined	56071
Registered voter district	
- Defined	56072
- Dissolution	56871
- Resolution of conducting authority	57075
Regional growth goals and policies	56668.5
Removal from office	56334
Reorganization	See Change of organization or reorganization
Reorganization committee	56836-56849
Reports	
- Public utilities commission, districts providing gas or electric service in areas already serviced by public utilities	56131
Resolutions	56880 et seq.
- Adoption by commission	56880
- Clerical errors, mistakes	56883
- Contents	56881
- Protests	57000 et seq.
- Reconsideration or amendment of	56895
- To whom mailed	56882
Resolution of application	
- Contents	56654
- Filed with executive officer	56756
- Island proceedings, hearing on	56755
- Notice of intent to adopt	56654
Resolution of conducting authority	See Conducting authority proceedings
Retirement benefits	56385
Revenue neutrality	
- Incorporation	56815
- Mitigation of negative fiscal effect	56815
- Task force	56815.2
Sacramento County	

- Commission composition	56326.5
- Incorporation, property tax exchange	56810
San Diego County	
- Commission composition	56328
Santa Clara County	
- Commission composition	56327
- Representation of special districts	56327.3
- Special provisions for annexation or reorganization in	56757
Santa Cruz County	
- Voter-approved urban limit line	
- Time limits for completion of proceedings, exception	57001.1
- Effective date of reorganization, exception	57202.1
School districts	
- Exclusion from definition of district	56036
- Information from	56378
- Notice of application	56658 (b)
Secretary of State	
- Notice of city boundary change by Board of Equalization	57204
Separation of grade district	
- Exclusion from definition of district	56036
Service	
- By contract outside city or district, commission approval	56133
- Conditional approvals	56886
- Defined	56074
- Public safety	56133
- Single purpose agencies	56886.5
Services, plan for providing	56653
Service reviews	56430
Severability	56104
Special assessment district	
- Defined	56075
- Detachment, condition waiver	56375 (n)
Special district	
- Advisory committee	56824
- Appointment, proceedings; definition	56823
- Commission action on report and recommendation of	56824.1
- Application to initiate proceedings	56658

- Defined	56036
- Exclusions	56036
- Determination that district is not a district	56127
	56128
- Executive committee	
- Membership, powers and duties	56824
- Farmland security zones	56856
- Hearing	
	56822.3
	56822.5
	56824.3
	56824.5
- Inactive special district	
- Defined	56042
- Dissolution	56879
- Independent special districts	See also Independent special district
- Annual budget; share of commission operational costs	56381
- Selection committee	56332
- Representation on Commission	56325
- Representation on Commission, proceedings for	56332.5
	56821 et. seq
- Proceedings	
- Consolidation	See Consolidation
- Dissolution	See Dissolution
- Formation	See Formation
- Merger	See Merger
- New or Different Services	See Latent Powers
- Initiation by petition	See Petition
- Reorganization	56826 et seq.
- Subsidiary District	See Subsidiary District
- Termination of proceedings for annexation	56857
- Regulations	
- Repeal	56821 et. seq
- Sphere of influence	56425

See also **Annexation, Detachment, Consolidation, Dissolution, Formation, Merger, Multi-county district, Subsidiary district, Reorganization**

Special elections by mailed ballot 57125
57126

Special reorganization

- Comprehensive fiscal analysis	56800
- Defined	56075.5
- Elections	57119
- When held	57132.5
- Proceedings	56730

Sphere of influence

- Adoption and amendment, procedure	56427
-------------------------------------	-------

- Adoption, deadlines	56425
- Adoption, proposed newly incorporated city	56426.5
- Amendment	56428
- Request for, processing fee	56383
- Commission action consistent with	56375.5
- Commission requirement, written determinations	56425
- Defined	56076
- Determinations	56425
- Limitation on service outside sphere	56886.6
- Powers and duties	56425 et seq.
- Redevelopment project area	56425.5
- Removal of territory	56429
- Review and update	56425
- Service reviews	56430
- Special district	56425
Standards and procedures	
- Service plans or proposals initiated by commission	56375
State Board of Equalization	
- Statement of boundary change filing	57204
State correctional facilities	
- Annexation	56742.5
State correctional training facilities	
- Annexation	56742.5
State Lands the Commission	
- Approval to include tidelands	56740
Statement of boundary change	
- Filing of	57204
- Form of	See Government Code Section 54901
Stenographic record of meetings	56379
Streets	
- County roads become city streets, conditions	57329 57385
Studies	56378
Subject agency	
- Defined	56077
- LAFCO, notice to	56658
Subject district	

- Defined	56823
Subsidiary district	
- 70% criteria	57105
- Alternative proposal	56862
- City council as board of directors	57534
- Commission action on	56863
- Conducting authority hearing, timing of	57002
- Date to determine boundaries to meet criteria	57106
- Defined	56078
- Election	
- Ballot	57138
- Certificate of completion confirming results	57177
- Computation of votes	57143
- Voter entitlements	57141
- Effect of	57525
- Establishment of, commission authority to initiate	56375
- Establishment of, petition for, signature requirements	56866
- Incorporation, separate election	57109
- Mergers and establishment of	57525 et seq.
- Merger with city	57087.3
- Order with or without election	57107
- Petition requesting election	57108
- Proposals for dissolution and annexation	57113
- Proposal for, notice	56861
- Resolution ordering election	57110
- Termination, waiting period for new proposal	57112
Successor agency	
- Determination	57451
- Distribution of remaining assets	57457
- Powers and duties	57453
- Rights and obligations, revenue enterprise	57461
Taxation	
- Allocations	See Revenue and Taxation Code Section 95
- Conditional approvals	56886
Term of office	56334
Terms and conditions	
- Applicability	56890
- Applicability, limitations	56887.5
- Application of general conditions	57302
- Contained in proposal	56815
- Effect of terms in ballot question	57135
- Effect on bonded indebtedness	57303
- Enforceability	56122

- Fire protection districts	56855
- Local coastal program amendments	56887
- Permitted conditions	56886
Tidelands or submerged lands	
- Annexation and other changes of organization	56740
- State Lands Commission approval	56740
Time provisions	
- Complete application, hearing date	56658
- Directory or mandatory	56106
- Disapproved proposals, resubmission	56884
- Extension for authorization	57001
- Reconsideration	56895
Town	56023
Transcript of record, meetings	56379
Ultimate user	
- Defined	56128
Unincorporated territory	56375
- Incorporation or annexation	56744
Uninhabited territory	
- Defined	56079.5.
- Determination	56375
- Waiver of protest proceeding	56663
Urban service area	
- Annexation of, mandatory approval	56375
- Defined	56080
- Santa Clara County, special provisions for annexation in	56757
Vacancies	56334
Validity	
- Action to determine	56103
Voter	
- Defined	56081
- Entitlements	
- Election	57140
- Merger or subsidiary district	57141
- Reorganization	57142
- Incorporation or formation, when counted	56375

Williamson Act	
- Annexation to a city	56426
	56426.6
	56749
	56752
	56754
	56856.5
- Notice to Director of Conservation	56753
	6753.5
	56661
- Succession of rights, duties and powers	56738
	56754
Willits, City of	
- Annexation of city owned land	56743
Zoning	56375

RELATED SECTIONS IN THE REVENUE AND TAXATION CODE

<u>Term/Procedure</u>	<u>Revenue and Taxation Code Section</u>
Jurisdictional changes	
- City incorporation	99
- District formation	99
- Special districts	99.01
Property tax rates	
- Local agencies	93
- School entities	93
Motor vehicle license fees	11005
Determination of population	11005.3

For more information regarding this publication, please contact Assembly Publications or find the document listed on the Assembly Local Government Committee's website at <https://alcl.assembly.ca.gov/publications>.

Assembly Publications
c/o Office of the Chief Clerk
State Capitol, Room 319
Sacramento, CA 95814

Please address any inquiries to:
Hugh Slayden, Office of the Chief Clerk at (916) 319-2848

Alpine

CHAIR
DON JARDINE

FEE SCHEDULE

EXECUTIVE OFFICER
BARBARA HOWARD

COUNSEL
MARTIN FINE

Annexations & Detachments

COMMISSIONERS:

TERRY WOODROW

First Parcel	\$ 750.00 * plus notification fee
Each additional parcel	\$ 50.00 * plus notification fee
50 + parcels	\$ 3000.00 * plus notification fee

HENRY C. VEATCH

EARL O'NEAL

(Annexation/Detachment fees will be reduced by one half if submitted with a Sphere of Influence application). For contractual service agreements, payment of the applicable annexation or detachment fees must be made upon submittal of a contractual service agreement application.

KRIS HARTNETT

ALTERNATES:

Landowner notification process:

TOM SWEENEY

* Calculation: Total number of parcels included (parcels within proposal area and those Within 300 feet of the surrounding boundary) .50 cents each for address verification. (Note: the applicant must supply the addressed stamped envelope).

BRUCE GIANOLA

Spheres of Influence Amendment

a. If done separately from a proposal for reorganization	\$3,000.00 *
b. Activation of Latent Powers	\$2,000.00 *
Formation	\$3,000.00 *
Dissolution	\$1,500.00 *
Consolidation	\$ 500.00 * per agency
Incorporation:	\$6,000.00
a. Financial Impact Report	cost + 15%
Reconsideration of Commission Action:	\$ 250.00

Environmental Review:

- a. Category Exemption \$ 40.00
- b. Initial Study \$ 520.00
- c. Environmental Impact Report
Prepared by LAFCo under contract with consultant:
Consultant fee + 15% = \$30 hr. (\$1500 deposit required)

Mitigation Monitoring \$30 hr (\$200 deposit required)
- d. Fish & Game Fee – Neg. Dec. \$ 2,044.00
- e. Fish & Game Fee – EIR \$ 2,839.25
- f. County Clerk Processing Fee \$ 50.00
- g. De Minimus Finding Fee \$ 50.00

Petition Filing Fees: In addition to the proposal processing fee, each application submitted by petition will be charged LAFCo’s actual costs to verify signatures.

Hourly charge out rate: \$ 30.00
Photo copies .25/copy plus tax

A fee shall be charged to a project applicant for the processing of any application in accordance with approved LAFCo fee schedule.

Fees are due when proposals are submitted to LAFCo. A supplemental fee may be charged and collected prior to the LAFCo hearing if additional acreage or actions are required. The Executive Officer will not issue a certificate of completion until any balance owing has been paid.

The fees listed above are for Alpine LAFCo only, additional fees from other agencies (e.g., Fish & Game, Elections, Board of Equalization, State Controller) may also apply.

LAFCO APPLICATION

Petition for proceedings pursuant to
 "The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000"

The undersigned hereby petition(s) the Local Agency Formation Commission of Alpine County for approval of a proposed change of organization or reorganization, and stipulate(s) as follows:

Applicant's Name	
Site Address	Telephone Number
City	State Zip Code
Name of proposal	
1	This proposal is made pursuant to California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000).
2	The specific change(s) of organization proposed is/are: <input type="checkbox"/> Annexation <input type="checkbox"/> Sphere of Influence <input type="checkbox"/> Other <input type="checkbox"/> Detachment <input type="checkbox"/> Consolidation <input type="checkbox"/> Incorporation <input type="checkbox"/> Formation of _____
3	The boundaries of the territory(ies) included in the proposal are as described in Exhibit(s) Attached hereto and by this reference incorporated herein, _____.
4	The territory(ies) included in the proposal is/are: <input type="checkbox"/> inhabited (12 or more registered voters reside) <input type="checkbox"/> uninhabited
5	Is this proposal consistent with the sphere of influence of the affected city and/or district(s). <input type="checkbox"/> YES <input type="checkbox"/> NO

6	<p>The reason(s) for the proposed _____ (annexation, detachment, reorganization, etc.) is/are: (Describe in detail – use attached sheet if necessary).</p> <p>_____</p> <p>_____</p> <p>_____</p>
7	<p>The proposed _____ is requested to be made subject to the terms and conditions:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
8	<p>The person(s) signing this petition have signed as <input type="checkbox"/> registered voters or <input type="checkbox"/> owners of land (check only one).</p>
9	<p>Would this proposal create an island of unincorporated territory?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If YES, please explain.</p> <p>_____</p> <p>_____</p>
10	<p>If the formation of a new district(s) is included in the proposal:</p> <p>(a) The principal act(s) under which said district(s) is/are proposed to be formed is/are:</p> <p>_____</p> <p>_____</p> <p>(b) The proposed name(s) of the new district(s) is/are:</p> <p>_____</p> <p>_____</p> <p>(c) The boundaries of the proposed new district(s) are as described in Exhibits _____, _____, heretofore incorporated herein.</p>

18	What is the existing County zoning? _____ What is the proposed County zoning? _____
19	Has or is the area been/being pre-zoned? <input type="checkbox"/> YES <input type="checkbox"/> NO What is the pre-zoning classification? _____ What date was this pre-zoned? _____
20	Will the annexed territory be liable for its share of existing bonded indebtedness? <input type="checkbox"/> YES <input type="checkbox"/> NO
21	Will the annexed territory be included within any particular Tax Division or Zone of the annexing territory? Please specify. _____ _____
22	If the proposal includes the consolidation of special districts, the proposed name of the consolidated district is _____ _____ _____

NOTICE:

Prior to the effective date of any jurisdictional change (i.e. annexation, detachment, etc.) the governing bodies of all agencies whose service areas or service responsibilities would be altered by such change shall meet to determine the amount of property tax revenues to be exchanged between and among such affected agencies. Notwithstanding any other provisions of law, no such jurisdictional change shall become effective until each county included in such negotiation agrees, **BY RESOLUTION**, to accept the negotiated exchange of property tax revenues.

NOTE: The resolutions referred to above shall be attached to this application prior to filing with the Local Agency Formation Commission. The Executive Officer of the Local Agency Formation Commission shall not issue a Certificate of Completion of Filing (COF) until such resolution is filed with LAFCO.

Please complete the names and addresses of persons who are furnished copies of the Agenda and Executive Officer's Staff Report and who are to be given mailed notices of the hearing of this proposal.

NAME

ADDRESS

TELEPHONE

Wherefore, petitioner(s) request(s) that proceedings be taken in accordance with the provisions of Section 56000, et seq. of the Government Code and herewith affix signature(s) as follows:

Chief Petitioners (not to exceed three):

DATE

PRINTED NAME

SIGNATURE

RESIDENCE ADDRESS
