



Chairman

Bill Horn
County Board of
Supervisors

April 6, 2015

Vice Chairman

Sam Abed
Mayor
City of Escondido

TO: Local Agency Formation Commission

FROM: Executive Officer

Members

SUBJECT: Legislative Status Report

Dianne Jacob
County Board of
Supervisors

Andrew Vanderlaan
Public Member

Lorie Zapf
Councilmember
City of San Diego

Lorraine Wood
Councilmember
City of Carlsbad

Jo MacKenzie
Vista Irrigation District

Vacant
Special District

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County Board of
Supervisors

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Racquel Vasquez
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Ed Sprague
Olivenhain Municipal
Water District

Harry Mathis
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Executive Officer

Michael D. Ott

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This is the second Legislative update report for 2015, intended to provide the Commission the status of the activities of state legislation in the first year of the 2015-16 Legislative Session. As reported at the March 2015 Commission Meeting, the final date for introduction of new legislation was February 27, 2015. The LAFCO staff have been monitoring several bills actively as part of participation with CALAFCO.

LAFCO staff proposing and the Commission approved a support position on one bill, SB 25 (Roth) and watch on the two other bills. Staff has identified six more bills of interest to track and is proposing a Watch position on each of the bills until further information is obtained on them.

AB 402 (Dodd D) Local agency services: contracts and out of area service extensions. This bill would amend Government Code Section 56133 to allow a Local Agency Formation Commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. This is not a CALAFCO sponsored bill and more review is needed to determine if it should be amended.

Proposed San Diego LAFCO Position: Watch

AB 448 (Brown D) Local government finance: property tax allocations & vehicle license fee adjustments, financial viability of cities. This bill is identical to AB 1521 (Fox) from 2014. This bill would reinstate the VLF payment (through ERAF) and change the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF

payment (through ERAF) and change the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation. This would apply to newly annexed inhabited territories to cities.

LAFCO staff believe that this bill will be merged with other legislation and propose to monitor the bill for amendments and when it goes to public hearing.

Proposed San Diego LAFCO Position: Watch

AB 851 (Mayes R) Local government: organization: disincorporations. As introduced, this bill addresses rewriting the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963. At least two cities in the state are considering bankruptcy and possible disincorporation proceedings.

Staff has not completed a thorough analysis of the bill at this early time of review. A preliminary analysis reveals that the proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process. In the case of a disincorporation or reorganization that includes a disincorporation, it would require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation and an outline of current retirement obligations, as specified, and a determination of what agency(s) would assume the responsibilities for provision of services, if disincorporation is approved.

Proposed San Diego LAFCO Position: Watch

SB 239 (Hertzberg D) Cities and districts: extended services. Current law requires the executive officer of a Local Agency Formation Commission, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, to determine whether the request is complete and acceptable for filing, as specified. This bill would extend the period within which the executive officer is required to make that determination to 45 days. This is a spot bill that is expected to be amended for another proposal by Senator Hertzberg. The sponsor of the bill is the professional Firefighters Association and they have not stated the final intent of the bill.

Proposed San Diego LAFCO Position: Watch

AB 948 (Patterson R) Local government: community service districts. The Community Services District Law authorizes the establishment of community services districts to provide various services to the geographic area within each district, and further authorizes specified community services districts to enforce covenants, conditions, and restrictions within that district, as provided. This bill would make a nonsubstantive change to those provisions. It is a spot bill to be amended later in the session.

Proposed San Diego LAFCO Position: Watch

SB 184 (Committee on Governance and Finance) Local government: omnibus bill.

This annual Senate Omnibus Bill makes non-policy type amendments or clarifications to the various government codes. Current law requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, or sewerage system services and facilities and the amounts of the installments of the fees or charges to be entered against the affected lots or parcels of land. Current law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Current law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity. This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. The bill would also make technical changes to these provisions.

Proposed San Diego LAFCO Position: Watch

Commission staff will continue to monitor possible legislative proposals for 2015 as the legislative session proceeds forward. Therefore, it is

RECOMMENDED: That your Commission,

Receive, discuss, and provide direction, as necessary, on the Legislative Status Report as attached.

Respectfully submitted,

MICHAEL D. OTT
Executive Officer

HARRY EHRLICH
Director, Legislative Research

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Attachments

Legislative Tracking Report: March 13, 2015

Assembly Bills:

AB 402 (Dobb)

AB 448 (Brown)

AB 851 (Mayes)

SB 239 (Hertzberg)

AB 948 (Patterson)

SB 184 (Committee on Governance and Finance)

**SAN DIEGO LAFCO
LEGISLATION TRACKING REPORT
MARCH 13, 2015**

SB 25 (Roth D): Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Introduced: December 1, 2014

Status: January 15, 2015

Summary: This bill would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

San Diego LAFCO Position: Support Letter sent March 12, 2015

CALAFCO Position: Support

Subject: Financial Viability of Agencies

San Diego LAFCO Analysis: This bill proposes to reinstitute the VLF funds to four cities that incorporated between 2004 and 2012 and lost funding in the FY 2012 due to a change by the budget ending the VLF funds to new cities or annexed inhabited areas to cities. No backfilling of lost revenues is proposed in this bill.

CALAFCO Comments: Identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between January 1, 2004 and January 1, 2012.

AB 3 (Williams D): Isla Vista Community Services District.

Introduced: December 1, 2014

Status: Awaiting Committee referral

Summary: This bill would express the intent of the Legislature to clarify and establish the necessary authority for the creation of the Isla Vista Community Services District within the unincorporated area of Santa Barbara County, and would make legislative findings and declarations relating to that intent.

San Diego LAFCO position: Watch

CALAFCO Position: Watch

Subject: LAFCo Administration, Special District Powers

San Diego LAFCO Analysis: This bill is to provide a placeholder for amendments to create a new Community Services District in Santa Barbara County to provide wastewater services. The Santa Barbara County LAFCO is working with the author on details of the issues and proposal.

CALAFCO Comments: As introduced, this bill gives legislative authority for the creation of the Isla Vista Community Services District (CSD). This authority would completely bypass the LAFCO process in the creation of this special district. CALAFCO issued a letter of concern on the intent language on December 20, 2014.

AB 168 (Maienschein R): Local government finance.

Introduced: January 22, 2015

Status: Awaiting Committee referral

Summary: Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

San Diego LAFCO Position: **Watch**

CALAFCO Position: **None at this time**

Subject: Tax Allocation

San Diego LAFCO Analysis: This is a spot bill for future consideration of legislation if needed.

AB 402 (Dodd D): Local agency services: contracts and out of area service extensions.

Introduced: February 19, 2015

Status: March 2, 2015-Referred to Com. on Gov. and Finance

Summary: Would allow a local agency formation commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. The bill would also make technical and conforming changes.

Proposed San Diego LAFCO Position: **Watch**

CALAFCO Position: **Watch**

Subject: CKH General Procedures, LAFCo Administration, Service Reviews/Spheres

CALAFCO Comments: As written, this bill would expand LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence inclusive of public health and safety threats, only if LAFCo can make three findings at noticed public hearings. These findings involve determining the extension: (1) was evaluated in a municipal service review; (2) will not result in adverse impacts on open-space and agricultural lands or growth; and (3) a later change of organization is not expected or desired based on local policies. Further, the bill clarifies LAFCo's sole authority in determining the application of the statute, and deemphasizes the approval of contracts and emphasizes the approval of service extensions. This is not a CALAFCO sponsored bill.

AB 448 (Brown D): Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Introduced: February 23, 2015

Status: March 5, 2015-Referred to Com. on L. GOV.

Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Proposed San Diego LAFCO CALAFCO Position: Watch

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: As introduced, this bill is identical to AB 1521 (Fox) from last year. This bill would reinstate the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation. This would apply to newly annexed inhabited territories to cities.

AB 851 (Mayes R): Local government: organization: disincorporations.

Introduced: February 26, 2015

Status: February 27, 2015-May be heard in committee March 29.

Summary: Would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation and an outline of current retirement obligations, as specified. This bill contains other related provisions and other existing laws.

Proposed San Diego LAFCO Position: Watch

CALAFCO Position: Sponsor

Subject: CKH General Procedures, Disincorporation/dissolution

San Diego LAFCO Analysis: Staff has not completed a thorough review of the bill at this early time of review. A preliminary analysis reveals that the proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process. Several of the key proposals in the bill include: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken; (3) Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. The bill retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. There is a working group of local government groups discussing the proposed bill and providing comments to CALAFCO.

CALAFCO Comments: Sponsored by CALAFCO. As introduced, this bill addresses the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963.

SB 239 (Hertzberg D): Cities and districts: extended services.

Introduced: February 17, 2015

Status: February 26, 2015- Referred to Com. on Gov. and Finance

Summary: Current law requires the executive officer of a local agency formation commission, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, to determine whether the request is complete and acceptable for filing, as specified. This bill would extend the period within which the executive officer is required to make that determination to 45 days.

Proposed San Diego LAFCO Position: Watch

CALAFCO Position: Placeholder – monitor

Subject: CKH General Procedures, Municipal Services

San Diego LAFCO Analysis: This is a spot bill that is expected to be amended for another proposal by Senator Hertzberg. The sponsor of the bill is the professional Firefighters Association and they have not stated the final intent of the bill as of now.

CALAFCO Comments: According to the author's office, this is a spot bill relating to service extensions. It is known that the sponsor of the bill is the California Professional Firefighters Association.

AB 948 (Patterson R): Local government: community service districts.

Introduced: February 26, 2015

Status: February 27, 2015-May be heard in committee March 29.

Summary: The Community Services District Law authorizes the establishment of community services districts to provide various services to the geographic area within each district, and further authorizes specified community services districts to enforce covenants, conditions, and restrictions within that district, as provided. This bill would make a nonsubstantive change to those provisions.

Proposed San Diego LAFCO Position: Watch

CALAFCO Position: Watch

Subject: Special District Powers for Community Services Districts

San Diego LAFCO Analysis: This is a spot bill for consideration of amendment later. We will watch the status of the bill.

CALAFCO Comments: As introduced this is a spot bill. CALAFCO will watch for amendments.

SB 184 (Committee on Governance and Finance): Local government: omnibus bill.

Introduced: February 9, 2015

Status: February 19, 2015-Referred to Com. on RLS.

Summary: The annual Senate Omnibus Bill makes non-policy type amendments or clarifications to the various government codes. Current law requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, or sewerage system services and facilities and the amounts of the installments of the fees or charges to be

entered against the affected lots or parcels of land. Current law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Current law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity. This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. The bill would also make technical, nonsubstantive changes to these provisions.

Proposed San Diego LAFCO Position: Watch

CALAFCO Position: Watch

San Diego LAFCO Analysis: The Senate Omnibus Bill contains non-policy type amendments to the various government codes outside of the Cortese-Knox-Hertzberg Act. It is usually amended later in the legislative session to add other proposals being reviewed by stakeholders; LAFCO staff will continue to monitor the bill until it is ready for hearing to make a recommendation on it.

CALAFCO Comments: This bill is the Senate Governance & Finance Committee's annual Omnibus Bill. This bill is intended to make technical, non-substantive changes to the Government Code outside of CKH.

ASSEMBLY BILL

No. 402

Introduced by Assembly Member Dodd

February 19, 2015

An act to amend Section 56133 of the Government Code, relating to local agency formation.

LEGISLATIVE COUNSEL'S DIGEST

AB 402, as introduced, Dodd. Local agency services: contracts.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts. Existing law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances, including when responding to an impending threat to the public health or safety of the residents in the affected territory where specified requirements are met.

This bill would additionally allow a commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. The bill would also authorize the commission to delegate to its executive officer review and approval of requests to provide new or extended services outside a city or district's boundary that are made in anticipation of a later change of organization, or to respond to an existing or impending threat to the public health or safety of the residents of the affected territory. The bill would also make technical and conforming changes.

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

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

- P2 1 SECTION 1.
 2 Section 56133 of the *Government Code* is
 3 amended to read:
 4 56133.
 5 (a) A city or district may, *as described in this section*,
 6 provide new or extended services by contract or agreement outside
 7 its jurisdictional ~~boundaries~~ *boundary* only if it first requests and
 8 receives written approval from the ~~commission in the affected~~
 9 ~~county.~~ *commission. The commission may delegate review and*
 10 *approval of requests made pursuant to subdivision (b) and*
 11 *paragraph (1) of subdivision (c) to the executive officer.*
 12 (b) The commission may authorize a city or district to provide
 new or extended services outside its jurisdictional ~~boundaries~~
boundary but within its sphere of influence in anticipation of a

13 later change of organization.

14 ~~(c) The~~ *If consistent with adopted policy, the commission may*
 15 *authorize a city or district to provide new or extended services*
 16 *outside its jurisdictional boundaries boundary and outside its sphere*
 17 *of influence to respond to an existing or impending threat to the*
 18 *public health or safety of the residents of the affected territory if*
 19 *both of the following requirements are met: to do either of the*
 20 *following:*

21 *(1) Respond to an existing or impending threat to the public*
 22 *health or safety of the residents of the affected territory, if both of*
 23 *the following requirements are met:*

24 ~~(1)~~

25 *(A) The entity applying for the contract approval has provided*
 26 *the commission with documentation of a threat to the health and*
 27 *safety of the public or the affected residents.*

28 ~~(2)~~

29 *(B) The commission has notified any alternate service provider,*
 30 *including any water corporation as defined in Section 241 of the*
 31 *Public Utilities Code, or sewer system corporation as defined in*
 P3 1 *Section 230.6 of the Public Utilities Code, that has filed a map and*
 2 *a statement of its service capabilities with the commission.*

3 *(2) Support existing or planned uses involving public or private*
 4 *properties, subject to approval at a noticed public hearing in which*
 5 *the commission makes all of the following determinations:*

6 *(A) The extension of service of services deficiency was identified*
 7 *and evaluated in a review of municipal services prepared pursuant*
 8 *to Section 56430.*

9 *(B) The extension of service will not result in adverse impacts*
 10 *on open space or agricultural lands, or have growth inducing*
 11 *impacts.*

12 *(C) A later change of organization involving the subject territory*
 13 *and its affected agency is not feasible or desirable based on the*
 14 *adopted policies of the commission.*

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

34 *(e) This section does not apply to contracts or agreements solely*
 35 *involving two or more public agencies where the commission*
 36 *determines that the public service to be provided is an alternative*
 37 *to, or substitute for, public services already being provided by an*

38 existing public service provider and where the level of service to
39 be provided is consistent with the level of service contemplated
40 by the existing service provider. ~~This~~

P4 1 (f) ~~This section does not apply to contracts for the transfer of~~
2 nonpotable or nontreated water. ~~This~~

3 (g) ~~This section does not apply to contracts or agreements solely~~
4 ~~involving~~ the provision of surplus water to agricultural lands and
5 facilities, including, but not limited to, incidental residential
6 structures, for projects that serve conservation purposes or that
7 directly support agricultural industries. However, prior to extending
8 surplus water service to any project that will support or induce
9 development, the city or district shall first request and receive
10 written approval from the commission in the affected county. ~~This~~

11 (h) ~~This section does not apply to an extended service that a city~~
12 ~~or district was providing on or before January 1, 2001. This~~

13 (i) ~~This section does not apply to a local publicly owned electric~~
14 ~~utility, as defined by Section 9604 of the Public Utilities Code,~~
15 ~~providing electric services that do not involve the acquisition,~~
16 ~~construction, or installation of electric distribution facilities by the~~
17 ~~local publicly owned electric utility, outside of the utility's~~
18 ~~jurisdictional boundaries. boundary.~~

19 (j) ~~This section applies only to the commission of the county in~~
20 ~~which the extension of service is proposed.~~

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 448****Introduced by Assembly Member Brown**
(Coauthor: Senator Leyva)

February 23, 2015

An act to amend Section 97.70 of the Revenue and Taxation Code, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 448, as introduced, Brown. Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

Existing property tax law also requires that, for purposes of determining property tax revenue allocations in each county for the 1992-93 and 1993-94 fiscal years, the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

Beginning with the 2004-05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a vehicle license fee property tax compensation fund that exists in each county treasury. Existing law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities.

This bill would modify these reduction and transfer provisions, for the 2015-16 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

By imposing additional duties upon local tax officials with respect to the allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local

program: yes.

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

P2 1 SECTION 1.
 Section 97.70 of the *Revenue and Taxation Code*
 2 is amended to read:
 3 97.70.
 Notwithstanding any other law, for the 2004-05 fiscal
 4 year and for each fiscal year thereafter, all of the following apply:
 5 (a) (1) (A) The auditor shall reduce the total amount of ad
 6 valorem property tax revenue that is otherwise required to be
 7 allocated to a county’s Educational Revenue Augmentation Fund
 8 by the countywide vehicle license fee adjustment amount.
 9 (B) If, for the fiscal year, after complying with Section 97.68
 10 there is not enough ad valorem property tax revenue that is
 11 otherwise required to be allocated to a county Educational Revenue
 P3 1 Augmentation Fund for the auditor to complete the allocation
 2 reduction required by subparagraph (A), the auditor shall
 3 additionally reduce the total amount of ad valorem property tax
 4 revenue that is otherwise required to be allocated to all school
 5 districts and community college districts in the county for that
 6 fiscal year by an amount equal to the difference between the
 7 countywide vehicle license fee adjustment amount and the amount
 8 of ad valorem property tax revenue that is otherwise required to
 9 be allocated to the county Educational Revenue Augmentation
 10 Fund for that fiscal year. This reduction for each school district
 11 and community college district in the county shall be the percentage
 12 share of the total reduction that is equal to the proportion that the
 13 total amount of ad valorem property tax revenue that is otherwise
 14 required to be allocated to the school district or community college
 15 district bears to the total amount of ad valorem property tax revenue
 16 that is otherwise required to be allocated to all school districts and
 17 community college districts in a county. For purposes of this
 18 subparagraph, “school districts” and “community college districts”
 19 do not include any districts that are excess tax school entities, as
 20 defined in Section 95.
 21 (2) The countywide vehicle license fee adjustment amount shall
 22 be allocated to the Vehicle License Fee Property Tax Compensation
 23 Fund that shall be established in the treasury of each county.
 24 (b) (1) The auditor shall allocate moneys in the Vehicle License
 25 Fee Property Tax Compensation Fund according to the following:
 26 (A) Each city in the county shall receive its vehicle license fee
 27 adjustment amount.
 28 (B) Each county and city and county shall receive its vehicle
 29 license fee adjustment amount.
 30 (2) The auditor shall allocate one-half of the amount specified
 31 in paragraph (1) on or before January 31 of each fiscal year, and
 32 the other one-half on or before May 31 of each fiscal year.
 33 (c) For purposes of this section, all of the following apply:
 34 (1) “Vehicle license fee adjustment amount” for a particular
 35 city, county, or a city and county means, subject to an adjustment
 36 under paragraph (2) and Section 97.71, all of the following:
 37 (A) For the 2004-05 fiscal year, an amount equal to the
 38 difference between the following two amounts:
 39 (i) The estimated total amount of revenue that would have been

40 deposited to the credit of the Motor Vehicle License Fee Account
P4 1 in the Transportation Tax Fund, including any amounts that would
2 have been certified to the Controller by the auditor of the County
3 of Ventura under subdivision (j) of Section 98.02, as that section
4 read on January 1, 2004, for distribution under the law as it read
5 on January 1, 2004, to the county, city and county, or city for the
6 2004-05 fiscal year if the fee otherwise due under the Vehicle
7 License Fee Law (Pt. 5 (commencing with Section 10701) of Div.
8 2) was 2 percent of the market value of a vehicle, as specified in
9 ~~Section Sections~~ 10752 and 10752.1 as those sections read on
10 January 1, 2004.

11 (ii) The estimated total amount of revenue that is required to be
12 distributed from the Motor Vehicle License Fee Account in the
13 Transportation Tax Fund to the county, city and county, and each
14 city in the county for the 2004-05 fiscal year under Section 11005,
15 as that section read on the operative date of the act that amended
16 this clause.

17 (B) (i) Subject to an adjustment under clause (ii), for the
18 2005-06 fiscal year, the sum of the following two amounts:

19 (I) The difference between the following two amounts:

20 ~~(Ia)~~

21 (ia) The actual total amount of revenue that would have been
22 deposited to the credit of the Motor Vehicle License Fee Account
23 in the Transportation Tax Fund, including any amounts that would
24 have been certified to the Controller by the auditor of the County
25 of Ventura under subdivision (j) of Section 98.02, as that section
26 read on January 1, 2004, for distribution under the law as it read
27 on January 1, 2004, to the county, city and county, or city for the
28 2004-05 fiscal year if the fee otherwise due under the Vehicle
29 License Fee Law (Part 5 (commencing with Section 10701) of
30 Division 2) was 2 percent of the market value of a vehicle, as
31 specified in Sections 10752 and 10752.1 as those sections read on
32 January 1, 2004.

33 ~~(Ib)~~

34 (ib) The actual total amount of revenue that was distributed
35 from the Motor Vehicle License Fee Account in the Transportation
36 Tax Fund to the county, city and county, and each city in the county
37 for the 2004-05 fiscal year under Section 11005, as that section
38 read on the operative date of the act that amended this

39 ~~sub-subclause. subsubclause.~~

40 (II) The product of the following two amounts:

P5 1 ~~(IIa)~~

2 (ia) The amount described in subclause (I).

3 ~~(IIb)~~

4 (ib) The percentage change from the prior fiscal year to the
5 current fiscal year in gross taxable assessed valuation within the
6 jurisdiction of the entity, as reflected in the equalized assessment
7 roll for those fiscal years. For the first fiscal year for which a
8 change in a city's jurisdictional boundaries first applies, the
9 percentage change in gross taxable assessed valuation from the
10 prior fiscal year to the current fiscal year shall be calculated solely
11 on the basis of the city's previous jurisdictional boundaries, without
12 regard to the change in that city's jurisdictional boundaries. For
13 each following fiscal year, the percentage change in gross taxable
14 assessed valuation from the prior fiscal year to the current fiscal
15 year shall be calculated on the basis of the city's current

16 jurisdictional boundaries.

17 (ii) The amount described in clause (i) shall be adjusted as
18 follows:

19 (I) If the amount described in subclause (I) of clause (i) for a
20 particular city, county, or city and county is greater than the amount
21 described in subparagraph (A) for that city, county, or city and
22 county, the amount described in clause (i) shall be increased by
23 an amount equal to this difference.

24 (II) If the amount described in subclause (I) of clause (i) for a
25 particular city, county, or city and county is less than the amount
26 described in subparagraph (A) for that city, county, or city and
27 county, the amount described in clause (i) shall be decreased by
28 an amount equal to this difference.

29 (C) For the 2006-07 fiscal year and for each year, to the
30 2014-15 fiscal year thereafter, year, inclusive, the sum of the
31 following two amounts:

32 (i) The vehicle license fee adjustment amount for the prior fiscal
33 year, if Section 97.71 and clause (ii) of subparagraph (B) did not
34 apply for that fiscal year, for that city, county, and city and county.

35 (ii) The product of the following two amounts:

36 (I) The amount described in clause (i).

37 (II) The percentage change from the prior fiscal year to the
38 current fiscal year in gross taxable assessed valuation within the
39 jurisdiction of the entity, as reflected in the equalized assessment
40 roll for those fiscal years. For the first fiscal year for which a
P6 1 change in a city's jurisdictional boundaries first applies, the
2 percentage change in gross taxable assessed valuation from the
3 prior fiscal year to the current fiscal year shall be calculated solely
4 on the basis of the city's previous jurisdictional boundaries, without
5 regard to the change in that city's jurisdictional boundaries. For
6 each following fiscal year, the percentage change in gross taxable
7 assessed valuation from the prior fiscal year to the current fiscal
8 year shall be calculated on the basis of the city's current
9 jurisdictional boundaries.

10 (D) For the 2015-16 fiscal year, the sum of the following two
11 amounts:

12 (i) The amount described in clause (i) of subparagraph (B) if
13 Section 97.71 and clause (ii) of subparagraph (B) did not apply
14 for that fiscal year, for that city, county, and city and county.

15 (ii) The product of the following two amounts:

16 (I) The amount described in clause (i).

17 (II) The percentage change from the 2004-05 fiscal year to the
18 2015-16 fiscal year, inclusive, in gross taxable assessed valuation
19 within the jurisdiction of the entity, as reflected in the equalized
20 assessment roll for those fiscal years.

21 (E) For the 2016-17 fiscal year and each fiscal year thereafter,
22 the sum of the following two amounts:

23 (i) The vehicle license fee adjustment amount for the prior fiscal
24 year.

25 (ii) The product of the following two amounts:

26 (I) The amount described in clause (i).

27 (II) The percentage change from the immediately preceding
28 fiscal year to the current fiscal year in gross taxable assessed
29 valuation within the jurisdiction of the entity, as reflected in the
30 equalized assessment roll for those fiscal years.

31 (2) For the 2013-14 fiscal year, the vehicle license fee

32 adjustment amount that is determined under subparagraph (C) of
 33 paragraph (1) for the County of Orange shall be increased by
 34 fifty-three million dollars (\$53,000,000). For the 2014-15 fiscal
 35 year and each fiscal year thereafter, the calculation of the vehicle
 36 license fee adjustment amount for the County of Orange under
 37 subparagraph ~~(C)~~ (C), (D), or (E), as applicable, of paragraph (1)
 38 shall be based on a prior fiscal year amount that reflects the full
 39 amount of this one-time increase of fifty-three million dollars
 40 (\$53,000,000).

P7 1 (3) "Countywide vehicle license fee adjustment amount" means,
 2 for any fiscal year, the total sum of the amounts described in
 3 paragraphs (1) and (2) for a county or city and county, and each
 4 city in the county.

5 (4) On or before June 30 of each fiscal year, the auditor shall
 6 report to the Controller the vehicle license fee adjustment amount
 7 for the county and each city in the county for that fiscal year.

8 (d) For the 2005-06 fiscal year and each fiscal year thereafter,
 9 the amounts determined under subdivision (a) of Section 96.1, or
 10 any successor to that provision, shall not reflect, for a preceding
 11 fiscal year, any portion of any allocation required by this section.

12 (e) For purposes of Section 15 of Article XI of the California
 13 Constitution, the allocations from a Vehicle License Fee Property
 14 Tax Compensation Fund constitute successor taxes that are
 15 otherwise required to be allocated to counties and cities, and as
 16 successor taxes, the obligation to make those transfers as required
 17 by this section shall not be extinguished nor disregarded in any
 18 manner that adversely affects the security of, or the ability of, a
 19 county or city to pay the principal and interest on any debts or
 20 obligations that were funded or secured by that city's or county's
 21 allocated share of motor vehicle license fee revenues.

22 (f) This section shall not be construed to do any of the following:

23 (1) Reduce any allocations of excess, additional, or remaining
 24 funds that would otherwise have been allocated to county
 25 superintendents of schools, cities, counties, and cities and counties
 26 pursuant to clause (i) of subparagraph (B) of paragraph (4) of
 27 subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing
 28 with Section 98) had this section not been enacted. The allocations
 29 required by this section shall be adjusted to comply with this
 30 paragraph.

31 (2) Require an increased ad valorem property tax revenue
 32 allocation or increased tax increment allocation to a community
 33 redevelopment agency.

34 (3) Alter the manner in which ad valorem property tax revenue
 35 growth from fiscal year to fiscal year is otherwise determined or
 36 allocated in a county.

37 (4) Reduce ad valorem property tax revenue allocations required
 38 under Article 4 (commencing with Section 98).

39 (g) Tax exchange or revenue sharing agreements, entered into
 40 prior to the operative date of this section, between local agencies
 P8 1 or between local agencies and nonlocal agencies are deemed to be
 2 modified to account for the reduced vehicle license fee revenues
 3 resulting from the act that added this section. These agreements
 4 are modified in that these reduced revenues are, in kind and in lieu
 5 thereof, replaced with ad valorem property tax revenue from a
 6 Vehicle License Fee Property Tax Compensation Fund or an
 7 Educational Revenue Augmentation Fund.

8 SEC. 2.

9 If the Commission on State Mandates determines that
10 this act contains costs mandated by the state, reimbursement to
11 local agencies and school districts for those costs shall be made
12 pursuant to Part 7 (commencing with Section 17500) of Division
13 4 of Title 2 of the Government Code.

13 SEC. 3.

14 This act is an urgency statute necessary for the
15 immediate preservation of the public peace, health, or safety within
16 the meaning of Article IV of the Constitution and shall go into
17 immediate effect. The facts constituting the necessity are:

18 In order to provide timely fiscal relief to preserve the public
19 peace, health, and safety in cities that annexed inhabited areas that
20 lost revenue as a result of the passage of Senate Bill 89 of the
21 2011-12 Regular Session (Chapter 35 of the Statutes of 2011), it
is necessary that this act take effect immediately.

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 851****Introduced by Assembly Member Mayes**

February 26, 2015

An act to amend Sections 56658, 56885.5, and 57405 of, to add Sections 56653.1, 56770, 56804, 56813, 56814, 56815, and 57426 to, and to repeal Sections 57401, 57402, 57404, 57409, 57410, 57416, 57417, 57423, and 57424 of, the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 851, as introduced, Mayes. Local government: organization: disincorporations.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization, by submitting a resolution of application to a local agency formation commission, to also submit a plan for providing services within the affected territory, as specified.

This bill would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation and an outline of current retirement obligations, as specified.

(2) The act requires a petitioner or legislative body desiring to initiate proceedings to submit an application to the executive officer of the local agency formation commission, and requires the local agency formation commission, with regard to an application that includes an incorporation, to immediately notify all affected local agencies and any applicable state agency, as specified.

This bill would extend that requirement to an application that includes a disincorporation.

(3) Existing law prohibits the commission from approving or conditionally approving a proposal for an incorporation unless the commission finds, among other things, that the proposal is consistent with the intent of the act, the incorporation is consistent with the spheres of influence of affected local agencies, and 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.

This bill would additionally prohibit the commission from approving or conditionally approving a proposal that includes a disincorporation unless the commission finds, among other things, that the disincorporation is consistent with the intent of the act, the disincorporation will address necessary changes to spheres of influence of affected agencies, and the service responsibilities of the city proposed for disincorporation have been assigned, as specified.

(4) Existing law requires the executive officer of the commission to prepare a comprehensive fiscal analysis for any proposal that includes an incorporation, as specified.

This bill would additionally require the executive officer to prepare a comprehensive fiscal analysis for any proposal that includes a disincorporation, as specified.

(5) Existing law requires the commission to determine the amount of property tax revenue to be exchanged by the affected local agency for a proposal that includes the incorporation of a city, and sets forth the procedures to be followed in making that determination.

This bill would additionally require the commission to determine the amount of property tax revenue to be exchanged by the affected city and any successor agency or affected local agency for a proposal that includes a disincorporation of a city, and would set forth the procedures to be followed in making that determination.

The bill would additionally require the commission to determine, where the proposal includes the disincorporation of a city with the assignment of property tax revenues to a successor agency, the increase of the appropriations limit for the successor agency or agencies, if the successor agency or agencies are existing entities, or the appropriations limit for a new special district, as specified.

The bill would state the intent of the Legislature that a proposal that includes a disincorporation of a city result in a determination that the debt or contractual obligations and responsibilities of the city being disincorporated be the responsibility of the same territory for repayment. The bill would require, prior to issuance of a certificate for filing for a proposal that includes a disincorporation, specified information relating to the debts and contractual obligations of the city being disincorporated.

(6) Existing law authorizes the commission, in approving a disincorporation of a city, the dissolution of a district, or the reorganization or consolidation of agencies that result in the dissolution of one or more districts or disincorporation of one or more cities, to make the approval conditional upon the agency being dissolved not approving any increase in compensation or benefits for specified officers of the agency, or appropriating, encumbering, expending, or otherwise obligating any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission, unless it first finds that an emergency exists.

This bill would modify this provision to authorize the commission to make the approval conditional upon a condition prohibiting the district that is being dissolved or the city that is being disincorporated from approving any increase in compensation or benefits for specified officers of the agency, or appropriating, encumbering, expending, or otherwise obligating any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission, unless it first finds that an emergency exists.

The act also authorizes the commission to require a single question appearing on the ballot upon issues of annexation and reorganization in any election at which the questions of annexation and district reorganization or incorporation and district reorganization are to be considered at the same time.

This bill would additionally apply these provisions to a disincorporation and district reorganization.

(7) Existing law requires every public officer of a city being disincorporated, prior to the effective date of the disincorporation, to turn the public property in his or her possession over to the board of supervisors.

This bill would repeal this provision.

(8) The act requires the commission, after ascertaining that the disincorporation has carried, to determine and certify in a written statement to the board of supervisors the indebtedness of the city, the amount of money in its treasury, and the amount of any tax levy or other obligation due the city that is unpaid or has not been collected.

This bill would repeal this provision.

(9) Existing law requires the board of supervisors to make specified determinations if the commission does not provide the board with a statement of those determinations.

This bill would repeal this provision.

(10) Existing law requires the tax collector to collect any tax that has been levied by a disincorporated city that remains uncollected when due and pay it into the county treasury.

This bill would provide that the tax collected and paid into the county treasury is on behalf of the designated successor agency or county to wind up affairs of the disincorporated city.

(11) Existing law requires the board of supervisors of a county to cause taxes to be levied and collected from within the territory formerly included within a disincorporated city, if there is not sufficient money in the treasury of a disincorporated city to the credit of the special fund to pay any city indebtedness as it becomes due. Existing law provides that any taxes levied pursuant to this provision are to be assessed, levied, and collected in the same manner and at the same time as other county taxes, and are additional taxes upon the property included within the territory of the disincorporated city.

This bill would repeal these provisions.

(12) Existing law requires the board of supervisors to levy a special tax upon all property within the disincorporated city if the revenues from specified public utilities are not sufficient for the administration, conduct, or improvement of the public utility. Existing law requires all sums collected to 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.

This bill would repeal these provisions.

(13) Existing law requires the board of supervisors to annually, at the time other county taxes are levied and collected, to levy and collect a special tax on the remainder of the territory of a disincorporated city sufficient to pay the balance of the debt, and pay that sum to the city treasurer. Existing law requires the city treasurer to pay the bonded indebtedness as it becomes due with the proceeds of those taxes.

This bill would repeal these provisions.

(14) Existing law provides that 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 cease to be subject to the jurisdiction of the disincorporated city and have none of the rights or duties of inhabitants or voters of a city.

This bill would additionally provide that as of the effective date of a disincorporation, the general plan of the disincorporated city that was in effect immediately prior to the effective date of the disincorporation constitutes the community plan of the county for the territory of the disincorporated city, the zoning ordinances of the disincorporation that were in effect immediately prior to the effective date of the disincorporation constitute the zoning ordinances of the county for that territory, and any conditional use permit or legal nonconforming use that was in place immediately prior to the effective date of the disincorporation remains in force pursuant to the community plan and zoning ordinances. The bill would provide that any use of land that was authorized under the general plan and zoning ordinances immediately prior to the effective date of the disincorporation continues to be authorized, consistent with the requirements of that community plan and those zoning ordinances, for at least 10 years following the effective date of the disincorporation, as specified. The bill would additionally require the board of supervisors of the affected county to, within 90 days of the effective date of the disincorporation, adopt an expedited permit process relating to business, development, and health and safety permits for the territory of the disincorporated city, as specified.

(15) Existing law requires a county auditor to adjust the allocation of property tax revenues for local agencies whose service area or service responsibility may be altered by specified jurisdictional changes.

This bill would include a city disincorporation and dissolved district in those jurisdictional changes. By increasing the duties of the county auditor, this bill would impose a state-mandated local program.

(16) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made

pursuant to these statutory provisions.

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

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

- P6 1 SECTION 1.
 Section 56653.1 is added to the *Government*
 2 *Code*, to read:
 3 56653.1.
 In the case of a disincorporation or reorganization
 4 that includes a disincorporation, the plan for services required by
 5 subdivision (a) of Section 56653 shall include the following:
 6 (a) An enumeration and description of the services currently
 7 provided by the city proposed for disincorporation and an
 8 identification of the entity or entities proposed to assume
 9 responsibility for the services following completion of
 10 disincorporation.
 11 (b) An enumeration and description of each service proposed
 12 to be discontinued, the current financing of the service or services,
 13 and any method of financing proposed by the successor agency or
 14 agencies.
 15 (c) A delineation of any existing financing of services currently
 16 provided to include, but not be limited to, bonds, assessments,
 17 community facility district governance, general taxes, special taxes,
 18 other charges, and joint powers authorities or agreements.
 19 (d) An indication of any current bankruptcy proceeding,
 20 including, but not limited to, status and exit plan.
 21 (e) An indication of any current order by any agency,
 22 department, office, or other division of the state, including but not
 23 limited to, a cease and desist order or water prohibition order.
 24 (f) An outline of current retirement obligations, actuarially
 25 determined unfunded liability, and any documentation related to
 26 termination of public retirement contract provisions.
 27 (g) A written acknowledgment from each affected local agency
 28 proposed to assume services from the city proposed for
 29 disincorporation.
 30 (h) Any other information that the executive officer may deem
 31 necessary to fully consider the disincorporation proposal.
- P7 1 SEC. 2.
 Section 56658 of the *Government Code* is amended
 2 to read:
 3 56658.
 (a) Any petitioner or legislative body desiring to initiate
 4 proceedings shall submit an application to the executive officer of
 5 the principal county.
 6 (b) (1) Immediately after receiving an application and before
 7 issuing a certificate of filing, the executive officer shall give mailed
 8 notice that the application has been received to each affected
 9 agency, the county committee on school district organization, and
 10 each school superintendent whose school district overlies the
 11 affected territory. The notice shall generally describe the proposal
 12 and the affected territory. The executive officer shall not be
 13 required to give notice pursuant to this subdivision if a local agency
 14 has already given notice pursuant to subdivision (c) of Section
 15 56654.

16 (2) It is the intent of the Legislature that ~~an~~ a proposal for
17 incorporation ~~proposal~~ or disincorporation shall be processed in
18 a timely manner. With regard to an application that includes an
19 incorporation or disincorporation, the executive officer shall
20 immediately notify all affected local agencies and any applicable
21 state agencies by mail and request the affected agencies to submit
22 the required data to the commission within a reasonable timeframe
23 established by the executive officer. Each affected agency shall
24 respond to the executive officer within 15 days acknowledging
25 receipt of the request. Each affected local agency and the officers
26 and departments thereof shall submit the required data to the
27 executive officer within the timelines established by the executive
28 officer. Each affected state agency and the officers and departments
29 thereof shall submit the required data to the executive officer within
30 the timelines agreed upon by the executive officer and the affected
31 state departments.

32 (3) If a special district is, or as a result of a proposal will be,
33 located in more than one county, the executive officer of the
34 principal county shall immediately give the executive officer of
35 each other affected county mailed notice that the application has
36 been received. The notice shall generally describe the proposal
37 and the affected territory.

38 (c) Except when a commission is the lead agency pursuant to
39 Section 21067 of the Public Resources Code, the executive officer
40 shall determine within 30 days of receiving an application whether
P8 1 the application is complete and acceptable for filing or whether
2 the application is incomplete.

3 (d) The executive officer shall not accept an application for
4 filing and issue a certificate of filing for at least 20 days after giving
5 the mailed notice required by subdivision (b). The executive officer
6 shall not be required to comply with this subdivision in the case
7 of an application which meets the requirements of Section 56662
8 or in the case of an application for which a local agency has already
9 given notice pursuant to subdivision (c) of Section 56654.

10 (e) If the appropriate fees have been paid, an application shall
11 be deemed accepted for filing if no determination has been made
12 by the executive officer within the 30-day period. An executive
13 officer shall accept for filing, and file, any application submitted
14 in the form prescribed by the commission and containing all of
15 the information and data required pursuant to Section 56652.

16 (f) When an application is accepted for filing, the executive
17 officer shall immediately issue a certificate of filing to the
18 applicant. A certificate of filing shall be in the form prescribed by
19 the executive officer and shall specify the date upon which the
20 proposal shall be heard by the commission. From the date of
21 issuance of a certificate of filing, or the date upon which an
22 application is deemed to have been accepted, whichever is earlier,
23 an application shall be deemed filed pursuant to this division.

24 (g) If an application is determined not to be complete, the
25 executive officer shall immediately transmit that determination to
26 the applicant specifying those parts of the application which are
27 incomplete and the manner in which they can be made complete.

28 (h) Following the issuance of the certificate of filing, the
29 executive officer shall proceed to set the proposal for hearing and
30 give published notice thereof as provided in this part. The date of
31 the hearing shall be not more than 90 days after issuance of the

32 certificate of filing or after the application is deemed to have been
33 accepted, whichever is earlier. Notwithstanding Section 56106,
34 the date for conducting the hearing, as determined pursuant to this
35 subdivision, is mandatory.

36 SEC. 3.

Section 56770 is added to the *Government Code*, to
37 read:

38 56770.

The commission shall not approve or conditionally
39 approve any proposal that includes a disincorporation, unless,
P9 1 based on the entire record, the commission makes all of the
2 following determinations:

3 (a) The proposed disincorporation is consistent with the intent
4 of this division, including, but not limited to, the policies of
5 Sections 56001, 56300, 56301, and 56377 to provide for a
6 sustainable system for the delivery of services.

7 (b) The proposal has reviewed the municipal service reviews
8 and spheres of influence of the affected local agencies, and the
9 disincorporation will address the necessary changes to those
10 spheres of influence.

11 (c) It has reviewed the comprehensive fiscal analysis prepared
12 pursuant to Section 56804.

13 (d) It has reviewed the executive officer's report and
14 recommendation prepared pursuant to Section 56665, and the oral
15 or written testimony presented at its public hearing.

16 (e) The service responsibilities of the city proposed for
17 disincorporation have been assigned through terms and conditions
18 authorized by Sections 56885.5, 56886, and 57300, and Chapter
19 5 (commencing with Section 57400) of Part 5.

20 SEC. 4.

Section 56804 is added to the *Government Code*, to
21 read:

22 56804.

For any proposal that includes a disincorporation, the
23 executive officer shall prepare, or cause to be prepared by contract,
24 a comprehensive fiscal analysis. This analysis shall become part
25 of the report required pursuant to Section 56665. Data used for the
26 analysis shall be from the most recent fiscal year for which data
27 is available, preceding the issuances of the certificate of filing.
28 When data requested by the executive officer in the notice to
29 affected agencies, pursuant to paragraph (2) of subdivision (b) of
30 Section 56658, is unavailable, the analysis shall document the
31 source and methodology of the data used. The analysis shall review
32 and document each of the following:

33 (a) The direct and indirect costs incurred by the city proposed
34 for disincorporation for providing public services and facilities
35 during the three fiscal years immediately preceding the submittal
36 of the proposal for disincorporation.

37 (b) The ability of the entities proposed to assume the obligations
38 of the city being disincorporated and the related costs, including
39 all actual direct and indirect costs, in provision of existing services.

P10 1 (c) When determining costs, the executive officer shall also
2 include all direct and indirect costs of any public services that are
3 proposed to be transferred to state agencies for delivery.

4 (d) The revenues of the city being disincorporated during the
5 three fiscal years immediately preceding the initiation of the

6 disincorporation proposal.
 7 (e) Any other information and analysis needed to make the
 8 findings required by Section 56770.

9 SEC. 5.

10 Section 56813 is added to the *Government Code*, to
 11 read:

11 56813.

12 (a) If the proposal includes the disincorporation of a
 13 city, as defined in Section 56034, the commission shall determine
 14 the amount of property tax revenue to be exchanged by the affected
 15 city and any successor agency or affected local agency pursuant
 16 to this section.

17 (b) The commission shall notify the county auditor of the
 18 proposal, the affected local agencies to be extinguished, and the
 19 services proposed to be transferred to new jurisdictions, and
 20 identify for the auditor the changes to occur.

21 (c) If the proposal would not transfer all of the service
 22 responsibilities of the disincorporating city to the affected county
 23 or to a single affected agency, the commission and the county
 24 auditor shall do all of the following:

25 (1) The county auditor shall determine the proportion that the
 26 amount of property tax revenue derived by the city being
 27 disincorporated pursuant to subdivision (b) of Section 93 of the
 28 Revenue and Taxation Code bears to the total amount of revenue
 29 from all sources, available for general purposes, received by the
 30 city being disincorporated in the prior fiscal year and provide their
 31 response in compliance with paragraph (2) of subdivision (b) of
 32 Section 56658. For purposes of making this determination and the
 33 determination required by paragraph (3), "total amount of revenue
 34 from all sources available for general purposes" means the total
 35 amount of revenue which the city being disincorporating may use
 36 on a discretionary basis for any purpose and does not include any
 37 of the following:

38 (A) Revenue that, by statute, is required to be used for a specific
 purpose.

P11 1 (B) Revenue from fees, charges, or assessments that are levied
 2 to specifically offset the cost of particular services and that do not
 3 exceed the cost reasonably borne in providing these services.

4 (C) Revenue received from the federal government that is
 5 required to be used for a specific purpose.

6 (2) The commission shall determine, based on information
 7 submitted by the city being disincorporated, an amount equal to
 8 the total net cost to that city during the prior fiscal year of providing
 9 those services that an affected agency will assume within the area
 10 subject to the proposal. For purposes of this paragraph, "total net
 11 cost" means the total direct and indirect costs that were funded by
 12 general purpose revenues of the city being disincorporated and
 13 excludes any portion of the total cost that was funded by any
 14 revenues of that agency that are specified in subparagraphs (A),
 15 (B), and (C) of paragraph (1).

16 (3) For the services to be transferred to each affected local
 17 agency, the commission shall multiply the amount determined
 18 pursuant to paragraph (2) by the proportion determined pursuant
 19 to paragraph (1) to derive the amount of property tax revenue used
 20 to provide services by the city being disincorporated during the
 21 prior fiscal year within the area subject to the proposal. The county

22 auditor shall adjust the amount so determined by the annual tax
 23 increment pursuant to the procedures set forth in Chapter 6
 24 (commencing with Section 95) of Part 0.5 of Division 1 of the
 25 Revenue and Taxation Code, to the fiscal year in which the affected
 26 agency receives its next allocation of property taxes.

27 (d) If the proposal for disincorporation would transfer all of the
 28 service responsibilities of the city proposed for disincorporation,
 29 other than those that are proposed to be discontinued, to a single
 30 successor agency, the commission shall request the auditor to
 31 determine the property tax revenue allocated to the city being
 32 disincorporated by tax rate area, or portion thereof, and transmit
 33 that information to the commission.

34 (e) The executive officer shall notify the auditor of the amount
 35 determined pursuant to subdivision (c) or (d), as the case may be,
 36 and, where applicable, the period of time within which and the
 37 procedure by which the transfer of property tax revenues will be
 38 effected pursuant to this section, at the time the executive officer
 39 records a certificate of completion pursuant to Section 57203 for
 40 any proposal described in subdivision (a), and the auditor shall
 P12 1 transfer that amount to the affected agency or agencies that will
 2 assume the services as determined by the commission. Any
 3 property tax not transferred to an affected agency pursuant to
 4 subdivision (c) shall be transferred to the affected county.

5 (f) For purposes of this section, "prior fiscal year" means the
 6 most recent fiscal year preceding the issuance of the certificate of
 7 filing for which data is available on actual direct and indirect costs
 8 and revenues needed to perform the calculations required by this
 9 section.

10 (g) Any action brought by a city or district to contest any of the
 11 determinations of the county auditor or the commission with regard
 12 to the amount of property tax revenue to be exchanged by the
 13 affected local agencies pursuant to this section shall be commenced
 14 within three years of the effective date of the disincorporation.

15 SEC. 6.

16 Section 56814 is added to the *Government Code*, to
 read:

17 56814.

18 If the proposal includes the disincorporation of a city,
 19 as defined in Section 56034, with the assignment of property tax
 20 revenues to a successor agency the commission shall make the
 following determinations, as appropriate:

21 (a) The increase of the appropriations limit for the successor
 22 agency, or agencies, if the successor agency or agencies is an
 23 existing entity.

24 (b) The appropriations limit for a new special district through
 25 a formation process as defined by Section 56810.

26 SEC. 7.

27 Section 56815 is added to the *Government Code*, to
 read:

28 56815.

29 (a) It is the intent of the Legislature that any proposal
 30 that includes the disincorporation of a city result in a determination
 31 that the debt or contractual obligations and responsibilities of the
 32 city being disincorporated shall be the responsibility of that same
 33 territory for repayment. To ascertain this information, the following
 34 shall be provided to the commission prior to the issuance of a
 certificate of filing for a disincorporation proposal, pursuant to

35 Sections 56651 and 56658:

36 (1) The city shall provide a written statement that determines
37 and certifies all of the following:

38 (A) The indebtedness of the city.

39 (B) The amount of money in the city's treasury.

P13 1 (C) The amount of any tax levy or other obligation due the city
2 that is unpaid or has not been collected.

3 (D) The amount of unfunded pension liability of all classes in
4 a public retirement system, and the liability for other
5 postemployment benefits.

6 (2) The county treasurer shall identify all taxes levied and
7 uncollected.

8 (3) A written statement of all redevelopment successor agency
9 designations and current balances and obligations.

10 (b) The commission shall not approve a proposal that includes
11 a disincorporation unless it makes the determinations required by
12 Section 56770.

13 SEC. 8.

14 Section 56885.5 of the *Government Code* is amended
15 to read:

15 56885.5.

16 (a) In any commission order giving approval to any
17 change of organization or reorganization, the commission may
18 make that approval conditional upon any of the following factors:

19 (1) Any of the conditions set forth in Section 56886.

20 (2) The initiation, conduct, or completion of proceedings for
21 another change of organization or a reorganization.

22 (3) The approval or disapproval, with or without election, as
23 may be provided by this division, of any resolution or ordinance
24 ordering that change of organization or reorganization.

25 (4) With respect to any commission determination to approve
26 the disincorporation of a city, the dissolution of a district, or the
27 reorganization or consolidation of agencies ~~which~~ *that* results in
28 the dissolution of one or more districts or the disincorporation of
29 one or more cities, a condition ~~prohibiting an agency that prohibits~~
30 *a district that is* being dissolved from taking any of the following
31 actions, unless it first finds that an emergency situation exists as
32 defined in Section 54956.5, *or if the governing body of the*
33 *successor agency or agencies, as designated by the commission,*
34 *approves:*

34 (A) Approving any increase in compensation or benefits for
35 members of the governing board, its officers, or the executive
36 officer of the agency.

37 (B) Appropriating, encumbering, expending, or otherwise
38 obligating, any revenue of the agency beyond that provided in the
39 current budget at the time the *commission approves the dissolution*
40 ~~is approved by the commission.~~ *or disincorporation.*

P14 1 (b) If the commission so conditions its approval, the commission
2 may order that any further action pursuant to this division be
3 continued and held in abeyance for the period of time designated
4 by the commission, not to exceed six months from the date of that
5 conditional approval.

6 (c) The commission order may also provide that any election
7 called upon any change of organization or reorganization shall be
8 called, held, and conducted before, upon the same date as, or after
9 the date of any election to be called, held, and conducted upon any

10 other change of organization or reorganization.

11 (d) The commission order may also provide that in any election
12 at which the questions of annexation and district reorganization
13 ~~or or~~, incorporation and district reorganization, *or disincorporation*
14 *and district reorganization* are to be considered at the same time,
15 there shall be a single question appearing on the ballot upon the
16 issues of annexation and district reorganization or incorporation
17 and district reorganization.

18 SEC. 9.

Section 57401 of the *Government Code* is repealed.

19 ~~57401.~~

~~Prior to the effective date of the disincorporation, every
20 public officer of the city shall turn over to the board of supervisors
21 the public property in his or her possession.~~

22 SEC. 10.

Section 57402 of the *Government Code* is repealed.

23 ~~57402.~~

~~After ascertaining that disincorporation has carried, the
24 commission shall determine and certify in a written statement to
25 the board of supervisors the indebtedness of the city, the amount
26 of money in its treasury, and the amount of any tax levy or other
27 obligation due the city which is unpaid or has not been collected.~~

28 SEC. 11.

Section 57404 of the *Government Code* is repealed.

29 ~~57404.~~

~~If the commission does not provide the board of
30 supervisors with the certified statement required by Section 57402,
31 the board shall make the determinations provided for in that
32 section.~~

33 SEC. 12.

Section 57405 of the *Government Code* is amended

34 to read:

35 57405.

If a tax has been levied by the disincorporated city and
36 remains uncollected, the county tax collector shall collect it when
37 due and pay it into the county treasury *on behalf of the designated*
38 *successor agency or county to wind up the affairs of the*
39 *disincorporated city.*

40 SEC. 13.

Section 57409 of the *Government Code* is repealed.

P15 1 ~~57409.~~

~~If there is not sufficient money in the treasury to the
2 credit of the special fund to pay any city indebtedness, the board
3 of supervisors shall cause to be levied, and there shall be collected
4 from the territory formerly included within the city, taxes sufficient
5 to pay the indebtedness as it becomes due.~~

6 SEC. 14.

Section 57410 of the *Government Code* is repealed.

7 ~~57410.~~

~~Any taxes levied pursuant to Section 57409 shall be
8 assessed, levied, and collected in the same manner and at the same
9 time as other county taxes, and are additional taxes upon the
10 property included within the territory of the disincorporated city.~~

11 SEC. 15.

Section 57416 of the *Government Code* is repealed.

12 ~~57416.~~

~~If the revenues from any public utility referred to in~~

13 ~~Section 57415 are not sufficient for its administration, conduct, or~~
 14 ~~improvement, the board of supervisors shall levy a special tax~~
 15 ~~upon all property within the disincorporated city. The special tax~~
 16 ~~shall be levied upon the assessed value of the property as shown~~
 17 ~~by the equalized assessment roll in effect on the first day of March~~
 18 ~~of that year, and collected in the same manner and form of other~~
 19 ~~county taxes.~~

20 SEC. 16.

Section 57417 of the *Government Code* is repealed.
 21 ~~57417.~~

All sums collected shall be placed in a separate fund
 22 in the county treasury for the administration, conduct, and
 23 improvement of the public utility for which the tax is levied.

24 SEC. 17.

Section 57423 of the *Government Code* is repealed.
 25 ~~57423.~~

Annually, at the time other county taxes are levied and
 26 collected, the board of supervisors shall levy and collect a special
 27 tax on the remainder of the territory sufficient to pay the balance
 28 of the debt, and pay this sum to the city treasurer.

29 SEC. 18.

Section 57424 of the *Government Code* is repealed.
 30 ~~57424.~~

With the proceeds of those taxes, the city treasurer shall
 31 pay the bonded indebtedness as it becomes due.

32 SEC. 19.

Section 57426 is added to the *Government Code*, to
 33 read:

34 57426.

(a) As of the effective date of the disincorporation, all
 35 of the following apply:

36 (1) The general plan of the disincorporated city that was in effect
 37 immediately prior to the effective date of the disincorporation shall
 38 constitute the community plan of the county for the territory of
 39 the disincorporated city.

P16 1 (2) The zoning ordinances of the disincorporated city that were
 2 in effect immediately prior to the effective date of the
 3 disincorporation shall constitute the zoning ordinances of the
 4 county for that territory.

5 (3) Any conditional use permit or legal nonconforming use that
 6 was in place immediately prior to the effective date of the
 7 disincorporation shall remain in force pursuant to the community
 8 plan and zoning ordinances.

9 (4) Any use of land that was authorized under the general plan
 10 and zoning ordinances immediately prior to the effective date of
 11 the disincorporation shall continue to be authorized, consistent
 12 with the requirements of that community plan and those zoning
 13 ordinances, for at least 10 years following the effective date of the
 14 disincorporation, any longer period required by the California
 15 Constitution or United States Constitution, or any longer period
 16 to the extent permitted by the general plan and zoning ordinances
 17 of the county applicable to that territory following that 10-year
 18 period.

19 (b) The board of supervisors of the affected county shall, within
 20 90 days of the effective date of disincorporation, adopt an expedited
 21 permit process relating to business, development, and health and
 22 safety permits for the territory of the disincorporated city that is

23 comparable to the permit process that existing in that city
 24 immediately preceding disincorporation.

25 SEC. 20.

26 Section 99 of the *Revenue and Taxation Code* is
 amended to read:

27 99.

28 (a) For the purposes of the computations required by this
 chapter:

29 (1) In the case of a jurisdictional change, other than a city
 30 incorporation, *city disincorporation*, or a formation of a district as
 31 defined in Section 2215, the auditor shall adjust the allocation of
 32 property tax revenue determined pursuant to Section 96 or 96.1,
 33 or the annual tax increment determined pursuant to Section 96.5,
 34 for local agencies whose service area or service responsibility
 35 would be altered by the jurisdictional change, as determined
 36 pursuant to subdivision (b) or (c).

37 (2) In the case of a city incorporation *or disincorporation*, the
 38 auditor shall assign the allocation of property tax revenues
 39 determined pursuant to Section 56810 of the Government Code
 40 and the adjustments in tax revenues that may occur pursuant to
 P17 1 Section 56815 of the Government Code to the newly formed city
 2 or district and shall make the adjustment as determined by Section
 3 56810 in the allocation of property tax revenue determined pursuant
 4 to Section 96 or 96.1 for each local agency whose service area or
 5 service responsibilities would be altered by the incorporation.

6 (3) In the case of a formation of a district as defined in Section
 7 2215, the auditor shall assign the allocation of property tax
 8 revenues determined pursuant to Section 56810 of the Government
 9 Code to the district and shall make the adjustment as determined
 10 by Section 56810, *or for the disincorporated city or dissolved*
 11 *district as determined by Section 56813*, in the allocation of
 12 property tax revenue determined pursuant to Section 96 or 96.1
 13 for each local agency whose service area or service responsibilities
 14 would be altered by the ~~formation~~ *change of organization*.

15 (b) Upon the filing of an application or a resolution pursuant to
 16 the Cortese-Knox-Hertzberg Local Government Reorganization
 17 Act of 2000 (Division 3 (commencing with Section 56000) of Title
 18 5 of the Government Code), but prior to the issuance of a certificate
 19 of filing, the executive officer shall give notice of the filing to the
 20 assessor and auditor of each county within which the territory
 21 subject to the jurisdictional change is located. This notice shall
 22 specify each local agency whose service area or responsibility will
 23 be altered by the jurisdictional change.

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

28 (B) The auditor shall estimate the amount of property tax
 29 revenue generated within the territory that is the subject of the
 30 jurisdictional change during the current fiscal year.

31 (2) The auditor shall estimate what proportion of the property
 32 tax revenue determined pursuant to paragraph (1) is attributable
 33 to each local agency pursuant to Sections 96.1 and 96.5.

34 (3) Within 45 days of notice of the filing of an application or
 35 resolution, the auditor shall notify the governing body of each local
 36 agency whose service area or service responsibility will be altered

37 by the jurisdictional change of the amount of, and allocation factors
38 with respect to, property tax revenue estimated pursuant to
39 paragraph (2) that is subject to a negotiated exchange.

P18 1 (4) Upon receipt of the estimates pursuant to paragraph (3), the
2 local agencies shall commence negotiations to determine the
3 amount of property tax revenues to be exchanged between and
4 among the local agencies. Except as otherwise provided, this
5 negotiation period shall not exceed 60 days. If a local agency
6 involved in these negotiations notifies the other local agencies, the
7 county auditor, and the local agency formation commission in
8 writing of its desire to extend the negotiating period, the negotiating
9 period shall be 90 days.

10 The exchange may be limited to an exchange of property tax
11 revenues from the annual tax increment generated in the area
12 subject to the jurisdictional change and attributable to the local
13 agencies whose service area or service responsibilities will be
14 altered by the proposed jurisdictional change. The final exchange
15 resolution shall specify how the annual tax increment shall be
16 allocated in future years.

17 (5) In the event that a jurisdictional change would affect the
18 service area or service responsibility of one or more special
19 districts, the board of supervisors of the county or counties in which
20 the districts are located shall, on behalf of the district or districts,
21 negotiate any exchange of property tax revenues. Prior to entering
22 into negotiation on behalf of a district for the exchange of property
23 tax revenue, the board shall consult with the affected district. The
24 consultation shall include, at a minimum, notification to each
25 member and executive officer of the district board of the pending
26 consultation and provision of adequate opportunity to comment
27 on the negotiation.

28 (6) Notwithstanding any other provision of law, the executive
29 officer shall not issue a certificate of filing pursuant to Section
30 56658 of the Government Code until the local agencies included
31 in the property tax revenue exchange negotiation, within the
32 negotiation period, present resolutions adopted by each such county
33 and city whereby each county and city agrees to accept the
34 exchange of property tax revenues.

35 (7) In the event that the commission modifies the proposal or
36 its resolution of determination, any local agency whose service
37 area or service responsibility would be altered by the proposed
38 jurisdictional change may request, and the executive officer shall
39 grant, 30 days for the affected agencies, pursuant to paragraph (4),
40 to renegotiate an exchange of property tax revenues.

P19 1 Notwithstanding the time period specified in paragraph (4), if the
2 resolutions required pursuant to paragraph (6) are not presented
3 to the executive officer within the 30-day period, all proceedings
4 of the jurisdictional change shall automatically be terminated.

5 (8) In the case of a jurisdictional change that consists of a city's
6 qualified annexation of unincorporated territory, an exchange of
7 property tax revenues between the city and the county shall be
8 determined in accordance with subdivision (e) if that exchange of
9 revenues is not otherwise determined pursuant to either of the
10 following:

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

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

15 For purposes of this paragraph, a qualified annexation of
16 unincorporated territory means an annexation, as so described, for
17 which an application or a resolution was filed on or after January
18 1, 1998, and on or before January 1, 2015.

19 (9) No later than the date on which the certificate of completion
20 of the jurisdictional change is recorded with the county recorder,
21 the executive officer shall notify the auditor or auditors of the
22 exchange of property tax revenues and the auditor or auditors shall
23 make the appropriate adjustments as provided in subdivision (a).

24 (c) Whenever a jurisdictional change is not required to be
25 reviewed and approved by a local agency formation commission,
26 the local agencies whose service area or service responsibilities
27 would be altered by the proposed change, shall give notice to the
28 State Board of Equalization and the assessor and auditor of each
29 county within which the territory subject to the jurisdictional
30 change is located. This notice shall specify each local agency
31 whose service area or responsibility will be altered by the
32 jurisdictional change and request the auditor and assessor to make
33 the determinations required pursuant to paragraphs (1) and (2) of
34 subdivision (b). Upon notification by the auditor of the amount
35 of, and allocation factors with respect to, property tax subject to
36 exchange, the local agencies, pursuant to the provisions of
37 paragraphs (4) and (6) of subdivision (b), shall determine the
38 amount of property tax revenues to be exchanged between and
39 among the local agencies. Notwithstanding any other provision of
40 law, no such jurisdictional change shall become effective until
P20 1 each county and city included in these negotiations agrees, by
2 resolution, to accept the negotiated exchange of property tax
3 revenues. The exchange may be limited to an exchange of property
4 tax revenue from the annual tax increment generated in the area
5 subject to the jurisdictional change and attributable to the local
6 agencies whose service area or service responsibilities will be
7 altered by the proposed jurisdictional change. The final exchange
8 resolution shall specify how the annual tax increment shall be
9 allocated in future years. Upon the adoption of the resolutions
10 required pursuant to this section, the adopting agencies shall notify
11 the auditor who shall make the appropriate adjustments as provided
12 in subdivision (a). Adjustments in property tax allocations made
13 as the result of a city or library district withdrawing from a county
14 free library system pursuant to Section 19116 of the Education
15 Code shall be made pursuant to Section 19116 of the Education
16 Code, and this subdivision shall not apply.

17 (d) With respect to adjustments in the allocation of property
18 taxes pursuant to this section, a county and any local agency or
19 agencies within the county may develop and adopt a master
20 property tax transfer agreement. The agreement may be revised
21 from time to time by the parties subject to the agreement.

22 (e) (1) An exchange of property tax revenues that is required
23 by paragraph (8) of subdivision (b) to be determined pursuant to
24 this subdivision shall be determined in accordance with all of the
25 following:

26 (A) The city and the county shall mutually select a third-party
27 consultant to perform a comprehensive, independent fiscal analysis,
28 funded in equal portions by the city and the county, that specifies
29 estimates of all tax revenues that will be derived from the annexed
30 territory and the costs of city and county services with respect to
31 the annexed territory. The analysis shall be completed within a

32 period not to exceed 30 days, and shall be based upon the general
 33 plan or adopted plans and policies of the annexing city and the
 34 intended uses for the annexed territory. If, upon the completion of
 35 the analysis period, no exchange of property tax revenues is agreed
 36 upon by the city and the county, subparagraph (B) shall apply.

37 (B) The city and the county shall mutually select a mediator,
 38 funded in equal portions by those agencies, to perform mediation
 39 for a period not to exceed 30 days. If, upon the completion of the
 P21 1 mediation period, no exchange of property tax revenues is agreed
 2 upon by the city and the county, subparagraph (C) shall apply.

3 (C) The city and the county shall mutually select an arbitrator,
 4 funded in equal portions by those agencies, to conduct an advisory
 5 arbitration with the city and the county for a period not to exceed
 6 30 days. At the conclusion of this arbitration period, the city and
 7 the county shall each present to the arbitrator its last and best offer
 8 with respect to the exchange of property tax revenues. The
 9 arbitrator shall select one of the offers and recommend that offer
 10 to the governing bodies of the city and the county. If the governing
 11 body of the city or the county rejects the recommended offer, it
 12 shall do so during a public hearing, and shall, at the conclusion of
 13 that hearing, make written findings of fact as to why the
 14 recommended offer was not accepted.

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

26 (f) Except as otherwise provided in subdivision (g), for the
 27 purpose of determining the amount of property tax to be allocated
 28 in the 1979-80 fiscal year and each fiscal year thereafter for those
 29 local agencies that were affected by a jurisdictional change which
 30 was filed with the State Board of Equalization after January 1,
 31 1978, but on or before January 1, 1979. The local agencies shall
 32 determine by resolution the amount of property tax revenues to be
 33 exchanged between and among the affected agencies and notify
 34 the auditor of the determination.

35 (g) For the purpose of determining the amount of property tax
 36 to be allocated in the 1979-80 fiscal year and each fiscal year
 37 thereafter, for a city incorporation that was filed pursuant to
 38 Sections 54900 to 54904 after January 1, 1978, but on or before
 39 January 1, 1979, the amount of property tax revenue considered
 40 to have been received by the jurisdiction for the 1978-79 fiscal
 P22 1 year shall be equal to two-thirds of the amount of property tax
 2 revenue projected in the final local agency formation commission
 3 staff report pertaining to the incorporation multiplied by the
 4 proportion that the total amount of property tax revenue received
 5 by all jurisdictions within the county for the 1978-79 fiscal year
 6 bears to the total amount of property tax revenue received by all
 7 jurisdictions within the county for the 1977-78 fiscal year. Except,
 8 however, in the event that the final commission report did not
 9 specify the amount of property tax revenue projected for that

10 incorporation, the commission shall by October 10 determine
 11 pursuant to Section 54790.3 of the Government Code the amount
 12 of property tax to be transferred to the city.

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

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

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

34 (1) The governing body of each district, county superintendent
 35 of schools, or county whose service areas or service responsibilities
 36 would be altered by the change shall determine the amount of
 37 property tax revenues to be exchanged between and among the
 38 affected jurisdictions. This determination shall be adopted by each
 39 affected jurisdiction by resolution. For the purpose of negotiation,
 40 the county auditor shall furnish the parties and the county board
 P23 1 of education with an estimate of the property tax revenue subject
 2 to negotiation.

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

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

16 (j) For purposes of subdivision (i), the annexation by a
 17 community college district of territory within a county not
 18 previously served by a community college district is an alteration
 19 of service area. The community college district and the county
 20 shall negotiate the amount, if any, of property tax revenues to be
 21 exchanged. In these negotiations, there shall be taken into
 22 consideration the amount of revenue received from the timber
 23 yield tax and forest reserve receipts by the community college
 24 district in the area not previously served. In no event shall the
 25 property tax revenue to be exchanged exceed the amount of
 26 property tax revenue collected prior to the annexation for the

27 purposes of paying tuition expenses of residents enrolled in the
28 community college district, adjusted each year by the percentage
29 change in population and the percentage change in the cost of
30 living, or per capita personal income, whichever is lower, less the
31 amount of revenue received by the community college district in
32 the annexed area from the timber yield tax and forest reserve
33 receipts.

34 (k) At any time after a jurisdictional change is effective, any of
35 the local agencies party to the agreement to exchange property tax
36 revenue may renegotiate the agreement with respect to the current
37 fiscal year or subsequent fiscal years, subject to approval by all
38 local agencies affected by the renegotiation.

39 SEC. 21.

40 If the Commission on State Mandates determines
41 that this act contains costs mandated by the state, reimbursement
P24 1 to local agencies and school districts for those costs shall be made
2 pursuant to Part 7 (commencing with Section 17500) of Division
3 4 of Title 2 of the Government Code.

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SENATE BILL**No. 239****Introduced by Senator Hertzberg**

February 17, 2015

An act to amend Section 56133 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 239, as introduced, Hertzberg. Cities and districts: extended services.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Existing law authorizes the commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances. Existing law requires the executive officer of the local agency formation commission, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, to determine whether the request is complete and acceptable for filing, as specified.

This bill would extend the period within which the executive officer is required to make that determination to 45 days.

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

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

- P2 1 SECTION 1.
 2 Section 56133 of the *Government Code* is
 3 amended to read:
 4 56133.
 5 (a) A city or district may provide new or extended
 6 services by contract or agreement outside its jurisdictional
 7 boundaries only if it first requests and receives written approval
 8 from the commission in the affected county.
 9 (b) The commission may authorize a city or district to provide
 10 new or extended services outside its jurisdictional boundaries but
 11 within its sphere of influence in anticipation of a later change of
 12 organization.
 13 (c) The commission may authorize a city or district to provide
 14 new or extended services outside its jurisdictional boundaries and
 15 outside its sphere of influence to respond to an existing or
 16 impending threat to the public health or safety of the residents of
 17 the affected territory if both of the following requirements are met:
 (1) The entity applying for the contract approval has provided
 the commission with documentation of a threat to the health and

18 safety of the public or the affected residents.

19 (2) The commission has notified any alternate service provider,
20 including any water corporation as defined in Section 241 of the
21 Public Utilities Code, or sewer system corporation as defined in
22 Section 230.6 of the Public Utilities Code, that has filed a map and
23 a statement of its service capabilities with the commission.

24 (d) The executive officer, within ~~30~~ 45 days of receipt of a
25 request for approval by a city or district of a contract to extend
26 services outside its jurisdictional boundary, shall determine whether
27 the request is complete and acceptable for filing or whether the
28 request is incomplete. If a request is determined not to be complete,
29 the executive officer shall immediately transmit that determination
30 to the requester, specifying those parts of the request that are
31 incomplete and the manner in which they can be made complete.
32 When the request is deemed complete, the executive officer shall
33 place the request on the agenda of the next commission meeting
34 for which adequate notice can be given but not more than 90 days
35 from the date that the request is deemed complete, unless the
36 commission has delegated approval of those requests to the
37 executive officer. The commission or executive officer shall
38 approve, disapprove, or approve with conditions the contract for
P3 1 extended services. If the contract is disapproved or approved with
2 conditions, the applicant may request reconsideration, citing the
3 reasons for reconsideration.

4 (e) This section does not apply to contracts or agreements solely
5 involving two or more public agencies where the public service
6 to be provided is an alternative to, or substitute for, public services
7 already being provided by an existing public service provider and
8 where the level of service to be provided is consistent with the
9 level of service contemplated by the existing service provider. This
10 section does not apply to contracts for the transfer of nonpotable
11 or nontreated water. This section does not apply to contracts or
12 agreements solely involving the provision of surplus water to
13 agricultural lands and facilities, including, but not limited to,
14 incidental residential structures, for projects that serve conservation
15 purposes or that directly support agricultural industries. However,
16 prior to extending surplus water service to any project that will
17 support or induce development, the city or district shall first request
18 and receive written approval from the commission in the affected
19 county. This section does not apply to an extended service that a
20 city or district was providing on or before January 1, 2001. This
21 section does not apply to a local publicly owned electric utility,
22 as defined by Section 9604 of the Public Utilities Code, providing
23 electric services that do not involve the acquisition, construction,
24 or installation of electric distribution facilities by the local publicly
25 owned electric utility, outside of the utility's jurisdictional
26 boundaries.

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 948****Introduced by Assembly Member Patterson**

February 26, 2015

An act to amend Section 61105 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL’S DIGEST

AB 948, as introduced, Patterson. Local government: community service districts. The Community Services District Law authorizes the establishment of community services districts to provide various services to the geographic area within each district, and further authorizes specified community services districts to enforce covenants, conditions, and restrictions within that district, as provided.

This bill would make a nonsubstantive change to those provisions.

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

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

- P1 1 SECTION 1.
 2 Section 61105 of the *Government Code* is
 3 amended to read:
 4 61105.
 5 (a) The Legislature finds and declares that the unique
 6 circumstances that exist in certain communities justify the
 7 enactment of special statutes for specific districts. In enacting this
 8 section, the Legislature intends to provide specific districts with
 9 special statutory powers to provide special services and facilities
 10 that are not available to other districts.
- P2 1 (b) (1) The Los Osos Community Services District may borrow
 2 money from public or private lenders and lend those funds to
 3 property owners within the district to pay for the costs of
 4 decommissioning septic systems and constructing lateral
 5 connections on private property to facilitate the connection of those
 6 properties to the district’s wastewater treatment system. The district
 7 shall lend money for this purpose at rates not to exceed its cost of
 8 borrowing and the district’s cost of making the loans. The district
 9 may require that the borrower pay the district’s reasonable
 10 attorney’s fees and administrative costs in the event that the district
 11 is required to take legal action to enforce the provisions of the
 12 contract or note securing the loan. The district may elect to have
 13 the debt payments or any delinquency collected on the tax roll
 14 pursuant to Section 61116. To secure the loan as a lien on real
 15 property, the district shall follow the procedures for the creation
 16 of special tax liens in Section 53328.3 of this code and Section
 17 3114.5 of the Streets and Highways Code.
- 18 (2) (A) (i) Except as otherwise provided in this paragraph, on

19 and after January 1, 2007, the Los Osos Community Services
20 District shall not undertake any efforts to design, construct, and
21 operate a community wastewater collection and treatment system
22 within, or for the benefit of, the district. The district shall resume
23 those powers on the date specified in any resolution adopted
24 pursuant to subdivision (f) of Section 25825.5.

25 (ii) Upon resuming the powers pursuant to subdivision (i), the
26 Los Osos Community Services District may continue the program
27 to offset assessments or charges for very low or low-income
28 households with funding sources, including, but not limited to,
29 grants, adopted pursuant to subdivision (g) of Section 25825.5. If
30 the county has not implemented that program, the Los Osos
31 Community Services District may adopt a program that complies
32 with subdivision (g) of Section 25825.5 to offset assessments or
33 charges for very low or low-income households. The Los Osos
34 Community Services District shall not include in an assessment
35 or charge an amount to cover the costs to the county in carrying
36 out the offset program.

37 (B) Nothing in this paragraph shall affect the district's power
38 to do any of the following:

39 (i) Operate wastewater collection and treatment facilities within
40 the district that the district was operating on January 1, 2006.

P3 1 (ii) Provide facilities and services in the territory that is within
2 the district, but outside the prohibition zone.

3 (iii) Provide facilities and services, other than wastewater
4 collection and treatment, within the prohibition zone.

5 (C) Promptly upon the adoption of a resolution by the Board of
6 Supervisors of the County of San Luis Obispo requesting this
7 action pursuant to subdivision (i) of Section 25825.5, the district
8 shall convey to the County of San Luis Obispo all retained
9 rights-of-way, licenses, other interests in real property, funds, and
10 other personal property previously acquired by the district in
11 connection with construction projects for which the district awarded
12 contracts in 2005.

13 (c) The Heritage Ranch Community Services District may
14 acquire, construct, improve, maintain, and operate petroleum
15 storage tanks and related facilities for its own use, and sell those
16 petroleum products to the district's property owners, residents,
17 and visitors. The authority granted by this subdivision shall expire
18 when a private person or entity is ready, willing, and able to
19 acquire, construct, improve, maintain, and operate petroleum
20 storage tanks and related facilities, and sell those petroleum
21 products to the district and its property owners, residents, and
22 visitors. At that time, the district shall either (1) diligently transfer
23 its title, ownership, maintenance, control, and operation of those
24 petroleum tanks and related facilities at a fair market value to that
25 private person or entity, or (2) lease the operation of those
26 petroleum tanks and related facilities at a fair market value to that
27 private person or entity.

28 (d) The Wallace Community Services District may acquire,
29 own, maintain, control, or operate the underground gas distribution
30 pipeline system located and to be located within Wallace Lake
31 Estates for the purpose of allowing a privately owned provider of
32 liquefied petroleum gas to use the underground gas distribution
33 system pursuant to a mutual agreement between the private
34 provider and the district or the district's predecessor in interest.

35 The district shall require and receive payment from the private
 36 provider for the use of that system. The authority granted by this
 37 subdivision shall expire when the Pacific Gas and Electric
 38 Company is ready, willing, and able to provide natural gas service
 39 to the residents of Wallace Lake Estates. At that time, the district
 40 shall diligently transfer its title, ownership, maintenance, control,
 P4 1 and operation of the system to the Pacific Gas and Electric
 2 Company.

3 (e) The Cameron Park Community Services District, the El
 4 Dorado Hills Community Services District, the Golden Hills
 5 Community Services District, the Mountain House Community
 6 Services District, the Rancho Murieta Community Services District,
 7 the Salton Community Services District, the Stallion Springs
 8 Community Services District, and the Tenaja Meadows Community
 9 Services District, which enforced covenants, conditions, and
 10 restrictions prior to January 1, 2006, pursuant to former Section
 11 61601.7 and former Section 61601.10, may continue to exercise
 12 the powers ~~set forth in~~ provided by former Section 61601.7 and
 13 former Section 61601.10.

14 (f) (1) The Bel Marin Keys Community Services District may
 15 enforce all or part of the covenants, conditions, and restrictions
 16 for a tract, and assume the duties of the architectural control
 17 committee, to the extent that a tract's covenants, conditions, and
 18 restrictions authorize an architectural control committee. Before
 19 the district can enforce covenants, conditions, and restrictions, and
 20 assume the duties of an architectural control committee, for a tract,
 21 the board of directors shall:

22 (A) Receive a written request from the board of directors of the
 23 tract's property owners' association or homeowners' association,
 24 with a petition signed by not less than a majority of the property
 25 owners of the parcels within the tracts covered by those
 26 associations, requesting the district to enforce the covenants,
 27 conditions, and restrictions for that tract and assume the duties of
 28 the architectural control committee for that tract, if an architectural
 29 control committee is called for in the covenants, conditions, and
 30 restrictions.

31 (B) Conduct a public hearing on the question, after giving mailed
 32 notice to each affected property owner of the date, time, and
 33 location of the meeting.

34 (C) Submit an application to the local agency formation
 35 commission pursuant to Section 56824.10, specifying the exact
 36 nature and scope of the intended services to be provided by the
 37 district.

38 (D) Receive the approval of the local agency formation
 39 commission, pursuant to Article 1.5 (commencing with Section
 40 56824.10) of Chapter 5 of Part 3 of Division 3 of Title 5, which
 P5 1 may include completion terms deemed appropriate by the
 2 commission, to enforce covenants, conditions, and restrictions for
 3 a tract, and to assume the duties of the architectural control
 4 committee for that tract.

5 (E) Adopt an ordinance assuming the power to enforce
 6 covenants, conditions, and restrictions for a tract, and to assume
 7 the duties of the architectural control committee for that tract,
 8 provided that the ordinance requires:

9 (i) The property owners within the tract to finance the
 10 enforcement of the covenants, conditions, and restrictions, and the

11 duties of the architectural control committee.

12 (ii) The tract’s property owners’ association or homeowners’
 13 association to indemnify the district for the costs of any litigation,
 14 settlements, injuries, damages, or judgments arising from
 15 enforcement of the covenants, conditions, and restrictions, and the
 16 district’s duties as the architectural control committee.

17 (2) The Bel Marin Keys Community Services District may, by
 18 ordinance, divest itself of the power undertaken under this
 19 subdivision.

20 (g) The Bear Valley Community Services District, the Bell
 21 Canyon Community Services District, the Cameron Estates
 22 Community Services District, the Lake Sherwood Community
 23 Services District, the Saddle Creek Community Services District,
 24 the Wallace Community Services District, and the Santa Rita Hills
 25 Community Services District may, for roads owned by the district
 26 and that are not formally dedicated to or kept open for use by the
 27 public for the purpose of vehicular travel, by ordinance, limit access
 28 to and the use of those roads to the landowners and residents of
 29 that district.

30 (h) Notwithstanding any other provision of law, the transfer of
 31 the assets of the Stonehouse Mutual Water Company, including
 32 its lands, easements, rights, and obligations to act as sole agent of
 33 the stockholders in exercising the riparian rights of the
 34 stockholders, and rights relating to the ownership, operation, and
 35 maintenance of those facilities serving the customers of the
 36 company, to the Hidden Valley Lake Community Services District
 37 is not a transfer subject to taxes imposed by Part 11 (commencing
 38 with Section 23001) of Division 2 of the Revenue and Taxation
 39 Code.

P6 1 (i) The El Dorado Hills Community Services District and the
 2 Rancho Murieta Community Services District may each acquire,
 3 construct, improve, maintain, and operate television receiving,
 4 translating, or distribution facilities, provide television and
 5 television-related services to the district and its residents, or
 6 authorize the construction and operation of a cable television
 7 system to serve the district and its residents by franchise or license.
 8 In authorizing the construction and operation of a cable television
 9 system by franchise or license, the district shall have the same
 10 powers as a city or county under Section 53066.

11 (j) The Mountain House Community Services District may
 12 provide facilities for television and telecommunications systems,
 13 including the installation of wires, cables, conduits, fiber optic
 14 lines, terminal panels, service space, and appurtenances required
 15 to provide television, telecommunication, and data transfer services
 16 to the district and its residents, and provide facilities for a cable
 17 television system, including the installation of wires, cables,
 18 conduits, and appurtenances to service the district and its residents
 19 by franchise or license, except that the district may not provide or
 20 install any facilities pursuant to this subdivision unless one or more
 21 cable franchises or licenses have been awarded under Section
 22 53066 and the franchised or licensed cable television and
 23 telecommunications services providers are permitted equal access
 24 to the utility trenches, conduits, service spaces, easements, utility
 25 poles, and rights-of-way in the district necessary to construct their
 26 facilities concurrently with the construction of the district’s
 27 facilities. The district shall not have the authority to operate
 28 television, cable, or telecommunications systems, except as

29 provided in Section 61100. The district shall have the same powers
30 as a city or county under Section 53066 in granting a franchise or
31 license for the operation of a cable television system.

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SENATE BILL**No. 184****Introduced by Committee on Governance and Finance (Senators Hertzberg
(Chair), Bates, Beall, Hernandez, Lara, Nguyen, and Pavley)**

February 9, 2015

An act to amend Sections 5473.4, 5474.4, and 5474.5 of the Health and Safety Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 184, as introduced, Committee on Governance and Finance. Local government: omnibus bill.

Existing law authorizes specified local entities, including cities, counties, special districts, and other authorized public corporations, to collect fees, tolls, rates, rentals, or other charges for water, sanitation, storm drainage, or sewerage system services and facilities. Under existing law, a local entity may collect these charges on the property tax roll at the same time and in the same manner as its general property taxes. If the entity collects these charges in this way, existing law requires the entity to prepare and file with its clerk or secretary a report describing each parcel of property receiving the above-described services and the amount charged. Existing law requires the clerk or secretary to annually file the report with the auditor. Existing law also authorizes these local entities to fix fees or charges for the privilege of connecting parcels of property to their sanitation or sewerage facilities, subject to specified procedures. Existing law requires the legislative body of the local entity to annually file with the auditor a list of lots or parcels of land subject to these fees or charges and the amounts of the installments of the fees or charges to be entered against the affected lots or parcels of land. Existing law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Existing law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity.

This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. The bill would also make technical, nonsubstantive changes to these provisions.

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

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

- P2 1 SECTION 1.
 2 (a) This act shall be known, and may be cited,
 3 as the Local Government Omnibus Act of 2014.
 4 (b) The Legislature finds and declares that Californians want
 5 their governments to be run efficiently and economically and that
 6 public officials should avoid waste and duplication whenever
 7 possible. The Legislature further finds and declares that it desires
 8 to control its own costs by reducing the number of separate bills.
 9 Therefore, it is the intent of the Legislature in enacting this act to
 10 combine several minor, noncontroversial statutory changes relating
 to the common theme, purpose, and subject of local government

11 into a single measure.

12 SEC. 2.

13 Section 5473.4 of the *Health and Safety Code* is
14 amended to read:

14 5473.4.

15 On or before August 10 of each year following the
16 final determination upon each charge, the clerk shall file with the
17 *county* auditor a copy of the report prepared pursuant to Section
18 5473 with a statement endorsed on the report over his or her
19 signature that the report has been finally adopted by the legislative
20 body of the entity and the *county* auditor shall enter the amounts
21 of the charges against the respective lots or parcels of land as they
22 appear on the current assessment roll. Where any of the parcels
23 are outside the boundaries of the entity they shall be added to the
24 assessment roll of the entity for the purpose of collecting the
25 charges. If the property is not described on the roll, the *county*
26 auditor may enter the description on the roll together with the
27 amounts of the charges, as shown in the report.

27 SEC. 3.

28 Section 5474.4 of the *Health and Safety Code* is
29 amended to read:

P3 1 5474.4.

2 On or before ~~the tenth day of August~~ *August 10* of each
3 year following ~~such the~~ final determination, the legislative body
4 shall certify to the *county* auditor a list of the lots or parcels of
5 land, as they appear on the current assessment roll, subject to ~~such~~
6 ~~any~~ fees or charges and the amounts of the installments of ~~such~~
7 ~~those~~ fees or charges and interest to be entered against ~~such the~~
8 lots or parcels on the assessment roll. In the event a lot or parcel
9 connected to the facilities is subsequently divided into two or more
10 lots or parcels as shown on the current assessment roll, the
11 legislative body shall designate the lot or parcel that remains
12 connected to the facilities and against which the installments of
13 the fees or charges and interest are to be entered.

13 SEC. 4.

14 Section 5474.5 of the *Health and Safety Code* is
15 amended to read:

15 5474.5.

16 The *county* auditor shall enter on the current assessment
17 roll the amounts of the installments of ~~such any~~ fees or charges
18 and interest and, except as provided in Section 5474.6, the amounts
19 thereof shall constitute a lien against the lot or parcel of land
20 against which levied as of noon on the first Monday in March
immediately preceding the date of entry.