

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1581**

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**Introduced by Committee on Local Government**

March 9, 2021

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An act to amend Sections 56133, 56427, and 56879 of, and to amend and renumber Section 56325.1 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1581, as introduced, Committee on Local Government. Local government: omnibus.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Existing law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified.

Existing law requires the commission to adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose.

This bill would revise and recast that provision to provide that the commission is required to adopt, amend, or update spheres of influence after a public hearing called and held for that purpose.

Existing law authorizes a commission in the county which an extension of service is proposed to approve (1) a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary in writing, (2) a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization, and (3) a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory if specified conditions are met.

This bill would revise and recast those provisions to remove the general requirement the commission must be in the county which an extension of service is proposed and provide that a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

Existing law requires the commission to dissolve inactive districts and provides that dissolved districts are not subject to specified provisions.

This bill would add that dissolved districts are not subject to specified taxation provisions related to jurisdictional changes.

This bill would make other nonsubstantive changes.

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

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

- 1 SECTION 1. Section 56133 of the Government Code is
- 2 amended to read:
- 3 56133. (a) A city or district may provide new or extended
- 4 services by contract or agreement outside its jurisdictional
- 5 boundary only if it first requests and receives written approval
- 6 from the ~~commission~~ *commission of the county in which the*
- 7 *affected territory is located.*
- 8 (b) The commission may authorize a city or district to provide
- 9 new or extended services outside its jurisdictional boundary but
- 10 within its sphere of influence in anticipation of a later change of
- 11 organization.

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

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

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

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

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

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

38 (2) The transfer of nonpotable or nontreated water.

39 (3) The provision of surplus water to agricultural lands and  
40 facilities, including, but not limited to, incidental residential

1 structures, for projects that serve conservation purposes or that  
 2 directly support agricultural industries. However, prior to extending  
 3 surplus water service to any project that will support or induce  
 4 development, the city or district shall first request and receive  
 5 written approval from the commission in the affected county.

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

8 (5) A local publicly owned electric utility, as defined by Section  
 9 9604 of the Public Utilities Code, providing electric services that  
 10 do not involve the acquisition, construction, or installation of  
 11 electric distribution facilities by the local publicly owned electric  
 12 utility, outside of the utility’s jurisdictional boundary.

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

15 ~~(f) This section applies only to the commission of the county~~  
 16 ~~in which the extension of service is proposed.~~

17 SEC. 2. Section 56325.1 of the Government Code is amended  
 18 and renumbered to read:

19 ~~56325.1.~~

20 *56331.4* While serving on the commission, all commission  
 21 members shall exercise their independent judgment on behalf of  
 22 the interests of residents, property owners, and the public as a  
 23 whole in furthering the purposes of this division. Any member  
 24 appointed on behalf of local governments shall represent the  
 25 interests of the public as a whole and not solely the interests of the  
 26 appointing authority. This section does not require the abstention  
 27 of any member on any matter, nor does it create a right of action  
 28 in any person.

29 SEC. 3. Section 56427 of the Government Code is amended  
 30 to read:

31 *56427.* The commission shall adopt, amend, or ~~revise~~ *update*  
 32 spheres of influence after a public hearing called and held for that  
 33 purpose. At least 21 days prior to the date of that hearing, the  
 34 executive officer shall give mailed notice of the hearing to each  
 35 affected local agency or affected county, and to any interested  
 36 party who has filed a written request for notice with the executive  
 37 officer. In addition, at least 21 days prior to the date of that hearing,  
 38 the executive officer shall cause notice of the hearing to be  
 39 published in accordance with Section 56153 in a newspaper of  
 40 general circulation which is circulated within the territory affected

1 by the sphere of influence proposed to be adopted. The commission  
2 may continue from time to time any hearing called pursuant to this  
3 section.

4 At any hearing called and held pursuant to this section, the  
5 commission shall hear and consider oral or written testimony  
6 presented by any affected local agency or affected county or any  
7 interested person who wishes to appear.

8 This section shall only apply to spheres of influence adopted by  
9 the commission after January 1, 1975.

10 SEC. 4. Section 56879 of the Government Code is amended  
11 to read:

12 56879. (a) On or before November 1, 2018, and every year  
13 thereafter, the Controller shall create a list of special districts that  
14 are inactive, as defined in Section 56042, based upon the financial  
15 reports received by the Controller pursuant to Section 53891. The  
16 Controller shall publish the list of inactive districts on the  
17 Controller's ~~Internet Web site~~ *internet website*. The Controller  
18 shall also notify the commission in the county or counties in which  
19 the district is located if the Controller has included the district in  
20 this list.

21 (b) The commission shall initiate dissolution of inactive districts  
22 by resolution within 90 days of receiving notification from the  
23 Controller pursuant to subdivision (a), unless the commission  
24 determines that the district does not meet the criteria set forth in  
25 Section 56042. The commission shall notify the Controller if the  
26 commission determines that a district does not meet the criteria  
27 set forth in Section 56042.

28 (c) The commission shall dissolve inactive districts. The  
29 commission shall hold one public hearing on the dissolution of an  
30 inactive district pursuant to this section no more than 90 days  
31 following the adoption of the resolution initiating dissolution. The  
32 dissolution of an inactive district shall not be subject to any of the  
33 following:

34 (1) Chapter 1 (commencing with Section 57000) to Chapter 7  
35 (commencing with Section 57176), inclusive, of Part 4.

36 (2) Determinations pursuant to subdivision (b) of Section 56881.

37 (3) Requirements for commission-initiated changes of  
38 organization described in paragraph (3) of subdivision (a) of  
39 Section 56375.

1 (4) *Sections 99 and 99.01 of the Revenue and Taxation Code.*

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