

# **Serving The Public Interest:**

A Legislative History of SB 1458  
and the “County Service Area Law”

October 2008

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*The noblest motive is the public good.*

*Good government demands the intelligent interest of every citizen.*

(Mottos above the entrances to the San Diego County Administration Center)

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**Serving The Public Interest:**  
**A Legislative History of SB 1458 and the “County Service Area Law”**

All five members of the Senate Committee on Local Government authored Senate Bill 1458 which revised the County Service Area Law, the state statute that governs nearly 900 county service areas (CSAs). Governor Arnold Schwarzenegger signed SB 1458 into law as Chapter 158 of the Statutes of 2008. The new County Service Area Law will take effect on January 1, 2009.

Where did SB 1458 come from and how does the new CSA Law differ from the previous statute? This report answers those questions by documenting the bill’s origins and legislative history. By compiling the background materials and recording the thinking that went into SB 1458, this report offers public officials, researchers, legal advisors, and the courts an opportunity to understand where the new statute came from and what its drafters meant to achieve.

The Legislature passed the original County Service Area Law in 1953. In the 55 years between 1953 and 2008, legislators amended the CSA Law many times. But without a thorough statutory overhaul, the result was a state law that had not kept pace with California’s other statutory and constitutional changes. In the intervening years, the voters amended the California Constitution by passing Propositions 13, 4, 218, and 1A. In addition, statutory initiatives such as Proposition 62 changed local officials’ fiscal powers. The Legislature enacted and expanded state laws on public records, fiscal audits, local governments’ boundaries, land use planning, and property tax allocation. The 1953 CSA Law, even as amended over the years, reflected few of these statutory changes.

Senator Gloria Negrete McLeod, Chair of the Senate Local Government Committee, directed her Committee’s staff to look into the possibility of revising the CSA Law. Under previous chairs, the Committee succeeded in revising the principal acts of other types of special districts:

- Fire protection districts (SB 515 in 1987).
- Recreation and park districts (SB 707 in 2001).
- Mosquito abatement and vector control districts (SB 1588 in 2002).
- Public cemetery districts (SB 341 in 2003).
- Community services districts (SB 135 in 2005).

In 2007, the Committee convened an 18-member Working Group on Revising the County Service Area Law to review the statute and recommend improvements. In cooperation with expert advisors, the Working Group met five times between September 2007 and February 2008 to review every section in the 1953 CSA Law and prepare drafts of the new CSA Law. The results of the Working Group’s efforts became SB 1458, which the Senate Local Government Committee introduced on February 21, 2008. As the bill moved through the legislative process, there were four sets of amendments. Exactly five months after the bill’s introduction, Governor Arnold Schwarzenegger signed SB 1458 into law on July 21, 2008. The new CSA Law will take effect on January 1, 2009.

## **Discovering Legislative Intent**

Unlike the United States Congress, the California Legislature does not produce extensively detailed legislative histories for its bills. The official record consists of the bills themselves, plus the analyses prepared for the policy committees, fiscal committees, and Senate and Assembly Floors. When interpreting statutes, the California courts rely on rules of statutory construction. One court explained these rules this way:

The most fundamental rule of statutory construction is that the court should ascertain the intent of the Legislature so as to effectuate the purpose of the law. The court first looks to the language of the statute, attempting to give effect to the usual, ordinary import of the language and seeking to avoid making any language mere surplusage. Significance if possible should be attributed to every word, phrase, sentence and part of an act in pursuance of the legislative purpose. The various parts of a statutory enactment must be harmonized by considering the particular clause or section in the context of the statutory framework as a whole. Further, wherever possible, the statute will be construed in harmony with the Constitution. The provision must be given a reasonable and common sense interpretation consistent with the apparent purpose and intention of the lawmakers, practical rather than technical in nature, and which, when applied, will result in wise policy rather than mischief or absurdity. The court should take into account matters such as context, the object in view, the evils to be remedied, the history of the times and of legislation upon the same subject, public policy, and contemporaneous construction.

To ascertain the legislative intent behind a statutory amendment, we may rely upon committee reports provided they are consistent with a reasonable interpretation of a statute. Regarding reliance upon statements and letters of individual legislators in construing a statute, we do not consider the motives or understandings of individual legislators who cast their votes in favor of it. Nor do we carve an exception to this principle simply because the legislator whose motives are proffered actually authored the bill in controversy; no guarantee can issue that those who supported his proposal shared his view of its compass. A legislator's statement is entitled to consideration, however, when it is a reiteration of legislative discussion and events leading to adoption of proposed amendments rather than merely an expression of personal opinion. The statement of an individual legislator has also been accepted when it gave some indication of arguments made to the Legislature and was printed upon motion of the Legislature as a letter of legislative intent. Correspondence within the Governor's file from interested parties does not represent the intent of the Legislature... [where] it is neither a statement of the legislator nor a report to the Legislature from the bill's proponents. Nor will the courts give much weight to post-enactment statements by administrators or other public officials to their understanding of the underlying legislative intent, even though such persons may have actively supported the measure and irrespective of the fact that the subject matter of the enactment may have directly involved their official responsibilities under existing law.

*Honey Springs Homeowners Assn v. Board of Supervisors* (1984)  
157 Cal.App.3d 1122, 1136, footnote 11.  
[citations and quotation marks omitted]

A central purpose of this report is to record the efforts of the Working Group on Revising the County Service Area Law and the Senate Committee on Local Government, so that public officials, researchers, potential litigators, and the courts may have access to the thinking that the drafters and the bill's authors invested in SB 1458.

## **Summary of Policies, Powers, Procedures, and Oversight**

The new County Service Area Law that the Legislature enacted in 2008 differs from the 1953 CSA Law in dozens of ways. One approach to understanding these changes is to look at how the bill affects CSAs' policies, powers, procedures, and oversight.

### Policies

Some bills contain *explicit* policy statements. Specific findings and declarations of legislative intent are the most obvious ways for legislators to send signals to colleagues, constituents, and judges. A bill may enact a new section that overtly recites findings and declarations. Bills that create major programs often place these recitations immediately after the title of the new division. For lesser measures, a legislator may relegate these statements to an uncodified section. On some occasions, bills declare that they incorporate the changes recommended in outside reports, even citing the studies by name.

More often, legislative policy is *implicit*, to be detected and interpreted from the new statute's context. The ways that a bill arranges procedures, defines terms, limits authority, or raises revenues are clues to the author's intent. When a bill's intent is not plain from its own wording, the courts may look at secondary sources, such as committee bill analyses and reports from interim hearings.

The 1953 CSA Law contained statements of legislative intent to guide county supervisors, property owners, and residents in the use of CSAs. SB 1458 opens the new CSA Law with seven revised legislative findings and declarations. [See the new Government Code §25210.1.] These explicit policy statements will guide the public officials, property owners, and residents who use the new statute. The explanations in this Committee report should help to clarify the new CSA Law's implicit policies,

### Powers

Responsible and effective local governments need enough -- but not too much -- power to carry out their statutory policies. Policies and powers must match. Government power can be both *fiscal* and *regulatory*. If the Legislature sets ambitious policies, but fails to provide sufficient power, then administrators can't deliver the program that legislators wanted. Conversely, if the Legislature doesn't explain its policies, then public managers lack guidance on how to use government powers. But Californians and their legislators distrust powerful governments. Legislators search for balance between providing governmental powers that fulfill legitimate public policies and protecting their constituents' rights and incomes.

Special districts are limited-purpose governments that have only the powers that the Legislature has delegated to them. State law lets districts provide public facilities and services, but rarely gives them regulatory powers. In contrast, counties and cities are general-purpose local governments with broad police powers that let them regulate private behavior in the public interest. For example, counties and cities use zoning to regulate land use, but special districts can't.

The Working Group scrutinized the 1953 CSA Law and recommended improvements. SB 1458 contains these differences:

- Restructures the provisions for forming new CSAs. [§25211 - §25211.5]
- Consolidates the previously scattered sections authorizing CSAs' basic powers. [§25212]
- Requires CSAs to follow standard real estate management procedures. [§25212.2]
- Allows CSAs to provide any services or facilities that counties can provide. [§25213]
- Creates an illustrative list of many of those services and facilities. [§25213]
- Avoids the archaic distinction between extended services and miscellaneous services.
- Preserves CSAs' special powers in specific counties. [§25213.1 - §25213.4]
- Clarifies how CSAs can activate their latent powers. [§25213.5 & §25210.2 (g)]
- Streamlines how counties loan money to CSAs. [§25214.4 - §25214.6]
- Explains how CSAs can raise additional operating revenues. [§25215]
- Explains how CSAs can generate capital for public works. [§25216]
- Streamlines how CSAs use internal zones to finance services [§25217]

### Procedures

The reformist impulses of the Progressive Era and several Populist movements still echo in California government and politics. Californians insist on fair access to decisions and to their decision-makers. State statutes that regulate procedures include the *Brown Act* (local officials' meetings must be open and public), the *Public Records Act* (ensuring access to government documents), the *Political Reform Act* (requiring disclosure of economic interests), and a myriad of statutory requirements for public notice, public hearings, protests, and elections.

Mindful of these political traditions that value transparency and accountability, SB 1458 organized the new CSA Law so that public officials, property owners, and residents could use the statute to promote local control. The bill used a contemporary drafting format, clustering together related topics for quicker reference, and renumbering the entire CSA Law. To improve effective administration and political accountability, SB 1458 provided cross-references to existing laws that apply to CSAs as well as to other local governments, a practice called "billboarding."

- Lawsuits to challenge CSAs' validity, debts, and decisions. [§25210.6]
- Boundary changes under the Cortese-Knox-Hertzberg Act. [§25210.7 (e)]
- Election procedures under the Uniform District Election Law. [§25210.8]
- Using the Eminent Domain Law. [§25212 (e)]
- Standard county contracting procedures. [§25212 (f)]
- Using the Joint Exercise of Powers Act. [§25212 (g)]
- Record retention and destruction. [§25212.1 (d)]
- Changing a CSA's name. [§25212.1 (e)]

- Land use planning, zoning, and surplus land. [§25212.2]
- Undergrounding utilities. [§25213 (s)]
- Annual budgets, regular audits, and financial reports. [§25214]
- Annual appropriations limits under the Gann Initiative. [§25214.1]
- Temporary borrowing. [§25214.2 (b)]
- Annual allocation of property tax revenues. [§25215.1]
- Adopting special taxes with 2/3-voter approval. [§25215.2]
- Levying benefit assessments under Proposition 218. [§25215.3 & §25216.3]
- Charging property-related fees under Proposition 218. [§25215.5 (a)]
- Collecting overdue fees. [§25215.5 (b)]
- Standby charges under the Uniform Standby Charge Procedures Act. [§25215.6]
- Issuing general obligation bonds and revenue bonds. [§25216.1 & §25216.2]

SB 1458 reduced the bulk of the 1953 CSA Law from 166 separate sections to just 50 sections.

### Oversight

Responsive government is accountable government. Initially spawned in righteous enthusiasm, some public programs outlive their usefulness but continue only because legislators forget about them. Institutional inertia, changing social and political climates, and automatic budgeting can combine to allow archaic and ineffective programs to persist. One of the politically least attractive --- but potentially most powerful --- legislative duties is to oversee existing programs. As the term limits imposed by Proposition 140 (1990) enforce legislative turnover, the legislators who originally authored new laws may not be around to monitor their implementation. Legislators can avoid creating perpetual programs by insisting that new programs contain oversight mechanisms: *regular records*, *periodic reports*, *special studies*, and *sunset clauses*.

SB 1458 promotes public accountability and responsiveness by:

- Recognizing the county supervisors as a CSA's "governing authority." [§25210.2 (a)]
- Allowing advisory elections. [§25210.8 (c)]
- Requiring standard contracting procedures. [§25212 (f)]
- Requiring recorded votes and minutes. [§25212.1]
- Clarifying the requirements to retain and destroy records. [§25212.1 (d)]
- Authorizing advisory committees to help county supervisors. [§25212.4]
- Requiring formal budgets, audits, financial reports, and fiscal transparency. [§25214]

### Other provisions

Besides enacting a new CSA Law, SB 1458 also amended or repealed 19 other code sections to conform to the new CSA Law. For example:

- Local agency formation commissions (LAFCOs) cannot control CSAs' internal zones (Government Code §56036). SB 1458 added CSAs' zones to this exemption in the Cortese-Knox-Hertzberg Act. [§7 of the bill.]

- SB 1458 noted that the new statute is based on the recommendations of the Working Group on Revising the County Service Area Law, convened by the Senate Local Government Committee. [§21]
- SB 1458 corrected several statutory cross-references to the new CSA Law.

### **The Working Group**

To rewrite an out-of-date state law that so many local officials use requires detailed knowledge about the existing law as well as an appreciation for local customs and practices. As the Senate Local Government Committee's earlier successes demonstrate, a statutory revision requires a willingness to anticipate possible political objections to the recommended changes. The Committee's Chair charged the staff with the goal of driving the Working Group to a near-consensus.

In September 2007, as the Chair of the Senate Local Government Committee, Senator Gloria Negrete McLeod created a Working Group on Revising the County Service Area Law:

Two county supervisors:

Honorable Greg Cox, San Diego County Board of Supervisors  
 Honorable Jane Dolan, Butte County Board of Supervisors

Two county administrators:

Norm Kanold, Assistant County Administrator, San Bernardino County  
 Susan Thompson, County Administrative Officer, San Benito County

Four special district specialists:

Bob Braitman, Principal, Braitman & Associates, Ventura  
 David R. Frank, retired Chico City Attorney  
 Casey Kaneko, Executive Director, Urban County Caucus  
 April Manatt, Principal, April Manatt Consulting

Ten representatives of potentially affected groups:

Christopher Carlisle, California Association of Realtors  
 Bill Chiat, California Association of Local Agency Formation Commissions  
 John Gamper, California Farm Bureau Federation  
 M. Holly Gilchrist, County Counsels Association of California  
 Bill Higgins, League of California Cities  
 Geoffrey Neill, California State Association of Counties  
 Michele Pielsticker, California Taxpayers Association  
 Paul Smith, Regional Counsel of Rural Counties  
 Thomas Vu, California Special Districts Association  
 David Wolfe, Howard Jarvis Taxpayers Association

Although invited, the Association of California Water Agencies declined to participate.

Besides the 18 members of the formal Working Group, several other knowledgeable people served as advisors, contributing research, drafting language, reviewing commentary, and offering valuable advice based on their considerable experience with CSAs and other local governments:

Sarah Aghassi, County of San Diego  
 Aidan Ali-Sullivan, Senate Local Government Committee  
 Joyce Crosthwaite, Orange County LAFCO  
 Nghia Demovic, Senator Dave Cox's office  
 Peter Detwiler, Senate Local Government Committee  
 Ryan Eisberg, Senate Republican Caucus Office of Policy  
 Harry Ehrlich, San Diego LAFCO  
 Sande George, American Planning Association-California Chapter  
 Erin Gilbert, Carpi & Clay, lobbyist for the County of San Diego  
 Jennifer Green, Legislative Counsel Bureau  
 Chris Hill, Department of Finance  
 Brent Jamison, Governor's Office of Planning and Research  
 Katie Kolitsos, Assembly Local Government Committee  
 Kathleen Rollings-McDonald, San Bernardino LAFCO  
 Marianne O'Malley, Legislative Analyst's Office  
 Gary Patton, Planning and Conservation League  
 Mary Pitto, Regional Council of Rural Counties  
 Kenneth J. Price, Baker Manock & Jensen  
 Josh Rosa, Governor's Office of Planning and Research  
 Dan Schwarz, City of Rohnert Park  
 William Dean Smith, County of San Diego  
 William Weber, Assembly Republican Caucus  
 Brian Weinberger, Senate Local Government Committee  
 Bob Van Wyk, Fresno Metropolitan Flood Control District

### **A Brief Description of County Service Areas**

A county service area (CSA) is a type of local government which is similar to a special district.

According to one accepted authority, special districts have four distinguishing characteristics:

- A form of local government,
- Governed by a board,
- Providing services and facilities,
- Within defined boundaries.

CSAs meet these criteria because they: (1) operate under the County Service Area Law, (2) rely on county boards of supervisors for their governance, (3) offer different levels of county services, and (4) deliver those services to distinct geographic areas. A county board of supervisors always governs a CSA, which can provide any type of county service or a higher level of any county service that the county government provides to an unincorporated area. In other words, a CSA delivers more county services to specific geographic area.

### Political History

The Legislature passed the original County Service Area Law in 1953 as the result of a bruising political battle between cities and counties. As Joy Braun Stone explained in her 1976 report prepared for the UCLA Law School and the Los Angeles County Local Agency Formation Commission (LAFCO), city officials had complained about the perceived inequities that resulted when county governments spent countywide property tax revenues on services that benefited only unincorporated areas.

A 1950 paper prepared by Pasadena City Manager Don C. McMillan for the League of California Cities triggered the conflict. The McMillan Report charged that “there is much cause to complain” when county officials spend county general funds to serve development in unincorporated communities (McMillan, p.3). “[S]o gross an inequity as this misuse of the funds raised from general county property taxpayers deserves a fundamental remedy,” the Report concluded (McMillan, p. 9). Counties regarded the furor as “the most disturbing local government issue in decades” (William R. MacDougall, General Manager of the County Supervisors Association of California, quoted by Braun Stone, p. 49).

When legislative attempts to resolve this conflict failed in 1951, both the Assembly and Senate held separate interim hearings to study the issues, make findings, and propose legislation. As the Braun Stone report documents, the successful result was the 1953 enactment of the County Service Area Law by AB 1841 (Stanley, et al., 1953), which Governor Earl Warren signed into law as Chapter 858, Statutes of 1953.

### Legal Interpretations

County officials were immediately interested in using the 1953 CSA Law. Even before the statute’s September 9, 1953, effective date, the County Counsel of Butte County sought the Attorney General’s advice, asking if counties could use the CSA Law to finance road construction and maintenance. The Attorney General’s first formal opinion on the topic of CSAs explained that the County Service Area Law offered an alternative way to finance county roads within “specially-described and specially-taxed” areas (22 Ops.Cal.Atty.Gen. 17 [1953]).

This July 1953 opinion was the first of ten formal opinions and eight Indexed Letters by which the Attorney General has interpreted the CSA Law:

- 22 Ops.Cal.Atty.Gen. 17 (1973)
- 31 Ops.Cal.Atty.Gen. 73 (1958)
- 38 Ops.Cal.Atty.Gen. 49 (1961)
- 43 Ops.Cal.Atty.Gen. 267 (1964)
- 45 Ops.Cal.Atty.Gen. 98 (1965)
- 57 Ops.Cal.Atty.Gen. 423 (1974)
- 62 Ops.Cal.Atty.Gen. 831 (1979)
- 65 Ops.Cal.Atty.Gen. 176 (1982)
- 77 Ops.Cal.Atty.Gen. 197 (1994)
- 81 Ops.Cal.Atty.Gen. 356 (1998)

IL 67-137 (September 11, 1967)  
 IL 69-112 (May 23, 1969)  
 IL 70-82 (April 29, 1970)  
 IL 71-113 (May 28, 1971)  
 IL 71-205 (October 28, 1971)  
 IL 73-57 (March 21, 1973)  
 IL 73-116 (July 23, 1973)  
 IL 78-106 (August 8, 1978)

In addition to the Attorney General's advice, there have been four appellate court decisions.

The earliest reported decision, *Byers v. Board of Supervisors of San Bernardino County* (1968) 262 Cal.App.2d 148, said that the statute did not authorize CSAs to provide television translator stations. The Legislature responded in 1969 by adding television translator stations to the list of services that a CSA could provide (SB 231, Cologne, 1969).

*Erven v. Riverside County Board of Supervisors* (1975) 53 Cal.App.3d 1004, looked at how counties could form CSAs to provide road services. In 1982, the Legislature reacted to the 1975 *Erven* decision by adding road improvement and maintenance to the list of miscellaneous extended services that a CSA could provide (SB 1664, Marks, 1984).

In *City of Santa Barbara v. County of Santa Barbara* (1979) 94 Cal.App.3d 277, the appellate court explored the tension between county spending in unincorporated areas and cities' fiscal interests, the same controversy that had provoked the enactment of the CSA Law in the early 1950s. The *Santa Barbara* decision used a research paper written in 1976 by Joy Braun Stone, then a student at UCLA Law School. The Braun Stone paper carefully researched the origins of the 1953 CSA Law as a class project conducted for the Los Angeles Local Agency Formation Commission.

The most recent appellate decision regarding CSAs, *Frommhagen v. Board of Supervisors of Santa Cruz County* (1987) 197 Cal.App.3d 1292, upheld a CSA's charges, including charges used to maintain public roads.

Besides the Attorney General's opinions and court cases, the Fair Political Practices Commission (FPPC) issued two advice letters. According to the FPPC, the members of a CSA's advisory committee are public officials, subject to the Political Reform Act's disclosure and disqualification requirements (Advice Letter A-94-161; July 7, 1994). The FPPC also explained that a city councilmember who worked for the California Department of Forestry (CDF) could participate in a contract between the city and CDF where the city receives services from a CSA that contracts with CDF (Advice Letter A-98-316; January 26, 1999).

#### Early and Sustained Popularity

As Table 1 indicates, starting in the 1950s, county officials have formed hundreds of CSAs. Their numbers increased even after LAFCOs gained authority over their formation. In the mid-

1960s, shortly after the Legislature created LAFCOs, the Attorney General explained that LAFCOs did not have jurisdiction over the formation of CSAs because CSAs were merely administrative units of the county and not special districts (43 Ops.Cal.Atty.Gen. 267 [1964]). The Legislature responded by amending the CSA Law to require LAFCO's approval before county supervisors can form new CSAs (AB 1620, Knox, 1967). Despite this increased statutory oversight over the formation of CSAs, the number of CSAs doubled --- from 291 to 691 --- in the decade between 1965-66 and 1975-76.

Not even the passage of Proposition 13 (1978) blunted CSAs' popularity. The State Controller's Office counted 701 CSAs in 1977-78, the fiscal year in which the voters amended the California Constitution by passing the property tax limitations in Proposition 13. Within just a few years, there were 100 more CSAs; 805 by 1980-81.

**Table 1: Number of County Service Areas**

1955-56	12
1960-61	45
1965-66	291
1970-71	512
1975-76	691
1980-81	805
1985-86	825
1990-91	910
1995-96	899
2000-01	875
2005-06	879

*Sources:* State Controller's Office, Financial Transactions - Special Districts and Special Districts Annual Report, for the selected years.

Since the early 1990s, there has been a slow decline in the number of CSAs. Some observers say that this reduction may have been caused by the dissolution of older CSAs that had outlived their original purposes and by the consolidation of CSAs that provided similar services. That trend may accelerate as LAFCOs complete their municipal service reviews and revise CSAs' sphere of influences. Another explanation for the decline is that some counties, including San Diego County, now prefer to pay for road improvements and street maintenance costs by setting up Permanent Road Divisions (which do not require a LAFCO's approval) instead of forming new CSAs.

#### Where Are They?

As with many other types of special districts, CSAs are scattered around California's counties without any discernible rationale, as Table 2 suggests. Butte County has the most CSAs (89), but neighboring Tehama County has none. Some rural Mother Lode counties use CSAs to deliver county services --- Tuolumne County has 49, Calaveras County has eleven --- while CSAs are not very popular in other Mother Lode counties (Amador and Mariposa each has just four CSAs). Santa Clara County, an established urban county with a small unincorporated population, has only one CSA, compared to four CSAs in Orange County, another urban county that

also has a small unincorporated population. Even neighboring urban counties have different experiences with CSAs; Alameda County has twelve, Contra Costa County has 27. Ironically, the county where the political battle gave rise to the 1953 CSA Law has no County Service Areas --- Los Angeles County is one of four counties without even one CSA.

If it is not a county's location or the size of its unincorporated population, what explains the wide variations in how counties use CSAs? The likely answer is local custom-and-practice. Butte County showed the earliest interest in forming CSAs when its County Counsel asked for a formal Attorney General's opinion, even before the 1953 CSA Law became effective. San Bernardino and San Diego counties assigned county staff to help communities form and run CSAs, while Sacramento County relied on other types of special districts to deliver public services and facilities. Similarly, Santa Barbara County's unincorporated communities get their services and facilities from independent special districts, lowering the demand for CSAs.

**Table 2: Counties With County Service Areas**

Butte	89	Madera	19	Amador	4	Imperial	1
Kern	85	Marin	17	Colusa	4	Inyo	1
San Diego	75	Lake	16	Mariposa	4	Kings	1
Riverside	60	Nevada	14	Orange	4	Lassen	1
Santa Cruz	50	Alameda	12	Siskiyou	4	Mendocino	1
Tuolumne	49	Calaveras	11	Sutter	4	Merced	1
San Joaquin	45	San Luis Obispo	11	Mono	3	Placer	1
Monterey	41	Santa Barbara	8	Plumas	3	Santa Clara	1
San Benito	40	Yolo	8	Sacramento	3	Los Angeles	0
Yuba	34	San Mateo	7	Napa	2	Modoc	0
Contra Costa	27	Ventura	7	Tulare	2	Tehama	0
San Bernardino	25	El Dorado	6	Alpine	1	Trinity	0
Fresno	22	Solano	6	Del Norte	1	San Francisco	*
Shasta	20	Sierra	5	Glenn	1		
Stanislaus	20	Sonoma	5	Humboldt	1		

\* As a city and county, lacking unincorporated territory, a CSA is not possible.

*Source:* Division of Accounting and Reporting, State Controller's Office; based on the Special Districts Annual Report.

#### Other Reform Attempts Stalled

SB 1458 is not the first attempt to rewrite the CSA Law. In 1986, officials from Monterey, San Bernardino, and San Diego Counties approached Assembly Member Dominic L. Cortese, Chair of the Assembly Local Government Committee, with a request to author a bill to restructure and clean-up the 1953 CSA Law. That request led to the creation of a "CSA Law Rewrite Committee," composed of eight people and led by Assembly Local Government Committee's Chief Consultant, Casey Sparks Kaneko. Key participants included Veronica Ferguson, then Executive Officer of the Monterey County LAFCO, and David Frank, then County Counsel for Shasta County. After what Kaneko later described as "countless hours of reading, comparing, and writing," the rewrite group produced a draft bill which Assembly Member Cortese introduced as AB 1253 in March 1987. In April 1987, the Assembly Local Government Committee reviewed the

Cortese bill, but held the measure for a more thorough interim hearing. On October 14, 1987, the Assembly Local Government Committee conducted an all-day interim hearing on the reform bill in Sacramento.

The Assembly and the Senate passed **AB 1253 (Cortese, 1988)**, but Governor George Deukmejian vetoed the measure because he objected to using benefit charges to pay for police and fire protection services. The Cortese bill proposed to combine the statute's list of "extended services" and "miscellaneous extended services" into a single, unified list of services that CSAs could provide. This seemingly technical drafting change would have produced a substantive change. CSAs had the power to finance "miscellaneous extended services" with benefit charges, but could not use those benefit charges to pay for "extended services." Governor Deukmejian's veto message insisted on retaining the distinction, claiming that "the benefits received from extended services such as police or fire protection are not easily assigned to individual residents in a CSA, as compared to all residents in the county. Therefore, I believe it is more appropriate to fund them from property tax revenues paid by all county residents."

The following year, Assembly Member Cortese introduced another bill to revise the CSA Law. Governor Deukmejian also vetoed **AB 253 (Cortese, 1989)** on similar grounds, even though that bill provided for landowner protests and elections. While his veto message indicated support for the bill's attempt to streamline statutory procedures, Governor Deukmejian repeated his objection to "eliminating the funding distinctions between different types of county service areas."

Governor Pete Wilson vetoed the third attempt, **AB 1505 (Farr, 1991)**, authored by the Assembly Local Government Committee's new Chair, Assembly Member Sam Farr. Late opposition from the Howard Jarvis Taxpayers Association caught the attention of Assembly Republicans who voted against the bill. Newspaper articles played up the controversy, earning the ire of Assembly Member Farr who had guided the reform bill through the legislative process. Nevertheless, Governor Wilson's veto message expressed his concern that the procedures for forming and financing a new CSA reduced voter participation in funding decisions.

After three legislative failures, interest in overhauling the CSA Law languished for nearly 15 years. In the meantime, however, the voters' approval of Proposition 218 (1996) eclipsed those earlier gubernatorial concerns by creating constitutional restraints on how local officials approve special taxes, benefit assessments, and property-related fees. By 2007, when the most recent reform effort began, Proposition 218 had made the earlier political struggle over CSAs' benefit charges moot. Without that fiscal controversy, the Senate Local Government Committee's efforts to revise the CSA Law were much easier.

### **The Revision Project**

The Working Group on Revising the County Service Area Law met four times in Sacramento, with the members and advisors volunteering their time and paying their own expenses. Even with the participants' keen interest in the statutory language, the Working Group was able to review each section of the 1953 CSA Law and make preliminary recommendations in just two meetings: September 28 and October 12. It took two more meetings on December 7 and 14 for

the Working Group to review the First Draft of the proposed replacement statute. The Working Group's fifth meeting on February 1, 2008, focused on outstanding topics that needed further resolution. Table 3 on page 18 reports the Working Group members' attendance at these five meetings.

**September 28 meeting.** Room 112 in the State Capitol was the site of the Working Group's first meeting on Friday, September 28, 2007, with 12 of the 18 members attending. The staff of the Senate Local Government Committee had prepared binders for the members of the Working Group, including a copy of the 1953 CSA Law (175 pages). Each statutory section appeared on a separate page, along with the Committee staff's description and commentary. This "Text & Commentary" was the basis for the Working Group's review. The Committee's staff also gave the Working Group a "Disposition Table" that listed every section of the 1953 CSA Law, its topic, and a place to indicate the section's proposed disposition. Besides the day's agenda, the other hand-outs included a one-page list of counties that have CSAs and three-page memo of "Decisions and Opinions" that interpreted the 1953 CSA Law.

The initial meeting began at 9:30 a.m. and lasted until 4:00 p.m. Peter Detwiler welcomed the Working Group on behalf of Senate Gloria Negrete McLeod, the Senate Local Government Committee's Chair. He explained that the Senator had charged him with the duties of being inclusive, listening carefully, and driving the Working Group to "near consensus" in preparing a new CSA Law for introduction in 2008. Following self introductions from the Working Group's members and advisors, Detwiler sketched the procedures that the Working Group would follow to recommend legislative changes. The revision efforts would focus on CSAs' organization, powers, and finances.

To structure the discussion of each section of the 1953 CSA Law, the Working Group relied on a rating sheet that offered four choices:

A = *This section is fine, just the way it reads.*

B = *This section is in pretty good shape but it needs this minor change: \_\_\_\_\_.*

C = *This topic should be retained but the contents need an overhaul. It should include: \_.*

D = *This section is obsolete. Repeal it.*

At this first meeting, the Working Group members and advisors reviewed about a third of the sections in the 1953 CSA Law, from Government Code §25210.1 through §25210.30d.

**October 12 meeting.** When 13 of the Working Group's members assembled in Room 112 of the State Capitol for their second meeting on Friday, October 12, 2007, Peter Detwiler distributed a revised version of the "Decisions and Opinions" memo. Starting at 9:30 a.m. with Government Code §25210.40, the Working Group was able to complete its section-by-section review of the 1953 CSA Law.

**First Draft.** On October 30, 2007, the Committee's staff distributed the First Draft of a proposed new County Service Area Law. The 83-page document reflected the staff's understanding of the Working Group's requests and included notes covering each section's "Topic, Derivation, and Comments." The Committee's staff sorted the proposed statute into eight topical articles:

General Provisions	Finance
Formation	Revenues
General Powers	Capital Financing
Services and Facilities	Improvement Zones

The staff relied heavily on language in the recently revised Community Services District Law (Government Code §61000, et seq.) as the model for this drafting exercise. The First Draft also proposed amending four other code sections and repealing two more sections outside the 1953 CSA Law to complement its changes to the proposed new CSA Law.

The October 30 mailing included a Source Table that identified the statutory origins of each section in the First Draft. The Committee's staff invited the Working Group's members and advisors to ask four questions about each section in the First Draft:

- *Does the proposed language do what the Working Group wanted?*
- *Is the proposed language clear and unambiguous?*
- *What's missing from the proposed language?*
- *What specific improvements are needed? Please bring specific wording with you.*

**December 7 meeting.** Nine members of the Working Group came to Room 112 in the State Capitol on Friday, December 7, 2007, to start their detailed review of the First Draft. Starting at 9:30 a.m., they began reviewing each section of the First Draft, up through §25215.4 (user fees, rates, and other charges).

**December 14 meeting.** Discussions about the First Draft resumed a week later, on Friday, December 14, 2007, when six Working Group members returned to Room 112 in the State Capitol. The Working Group finished its review of each section in the First Draft, recommending changes and adjustments.

**Second Draft.** Based on the Working Group's advice from the December 7 and 14 meetings, the staff of the Senate Local Government Committee produced the Second Draft and sent it out on January 14, 2008. At 99 pages, the Second Draft was 16 pages longer than the First Draft largely because it proposed conforming amendments to other code sections.

**February 1 meeting.** The final meeting of the Working Group occurred on Friday, February 1, 2008, when 11 members joined the advisors to review the Second Draft for a half-day meeting in Room 112 of the State Capitol. Starting at 9:30 a.m., the Working Group reviewed just over a dozen sections where the Second Draft differed from the First Draft. Following this meeting, the Committee's staff worked with Deputy Legislative Counsel Jennifer Green to include the requested changes into the document that became the formal draft of the new CSA Law.

### **The Legislative History of SB 1458**

All five members of the Senate Committee on Local Government collectively introduced Senate Bill 1458 on February 21, 2008. Under Senate Rule 23, a so-called "committee bill" must be

authored by all of the Senators who are members of a standing committee. For the 2007-08 legislative session, the members of the Senate Local Government Committee were:

Senator Gloria Negrete McLeod, Chair  
 Senator Dave Cox, Vice Chair  
 Senator Tom Harman  
 Senator Christine Kehoe  
 Senator Michael J. Machado

**February 21, first version.** The introduced version of SB 1458 reflected the efforts of the Working Group on Revising the County Service Area Law, more specifically the Second Draft as changed after the Working Group's February 1, 2008 meeting. As introduced, the bill repealed the 1953 CSA Law (Section 3 of the bill) and, in its place, proposed the enactment of a new CSA Law (Section 2 of the bill). In its 42 pages, the first version of SB 1458 also amended or repealed 17 other code sections to conform to the new CSA Law.

Copies of the text of each version of SB 1458, copies of the analyses prepared on the bill, and records of the legislative votes on the measure are available on the website maintained by the Legislative Counsel: [www.leginfo.ca.gov](http://www.leginfo.ca.gov)

**March 24, first amendments.** To prepare for its April 2 hearing on SB 1458, the Senate Local Government Committee amended its bill on March 24. Most of the 47 amendments corrected drafting errors and technical cross-references to other statutes, but two amendments were substantive.

The March 24 amendments added subdivisions (c) and (d) to the proposed §25214, relating to CSAs' financial affairs. Because the 1953 CSA Law treated CSAs as if they were special districts, other provisions of the Government Code already required county officials to provide for regular audits and financial reports. The March 24 amendments inserted cross-references to those existing requirements. That omission had escaped the Working Group's attention during its reviews of the First Draft and Second Draft. This amendment is another example of the practice called "billboarding" in which a special district's principal act provides cross-references to other existing laws. Like a highway billboard, this type of language advertises information that may be useful to local officials and their constituents.

The March 24 amendments also added an uncodified section to SB 1458, declaring that the new CSA Law is based on the Working Group's recommendations. Similar to provisions in other special districts' principal acts, this language signals future reviewers, including the courts, about the new statute's source. It should lead them back into the legislative record, including this report, when researching the statute's origins.

**April 2, Senate committee hearing.** The Senate Local Government Committee heard SB 1458 at its April 2 hearing. In the previous week, the Committee's staff released a five-page bill analysis with sections that explained the "Background and Existing Law," described the "Proposed Law," and offered "Comments" about the bill, and reported "Support and Opposition." The staff comments observed that the Working Group had reached a "near consensus," but not everyone supported SB 1458, noting that one expert believed that the bill shifted too much authority from

county supervisors to LAFCOs. That comment alluded to the March 13 letter from David Frank, the retired Chico City Attorney and former County Counsel of Glenn and Shasta counties, in which Frank explained his opposition to SB 1458 and suggested amendments. The staff comments also alerted the Committee members to other policy considerations raised by the Howard Jarvis Taxpayers Association and the League of California Cities.

In addition to the Committee's bill analysis, Ryan Eisberg of the Senate Republican Caucus's Office of Policy reviewed SB 1458 for the Committee's Republican members. Eisberg's four-page document recommended a "support" position.

At the April 2 hearing, Senator Negrete McLeod briefly presented SB 1458 to her legislative colleagues. With no one in the audience prepared to speak against the bill, the Committee skipped testimony from the measure's supporters who were present. Senator Machado moved the bill which then passed by the vote of 4 to 0.

**April 14, Senate Floor vote.** To prepare for the Senate's action on SB 1458, the Office of Senate Floor Analyses released a seven-page analysis that generally followed the one prepared by the Senate Local Government Committee's staff. On April 14, when Senator Negrete McLeod presented the bill on the Senate Floor, there were no questions and there was no debate. The Senate passed the measure by a roll call vote of 36 to 0.

**May 23, second amendments.** The staff of the Assembly Local Government Committee reviewed SB 1458 in preparation for that Committee's June 4 hearing. The May 23 amendments came at the request of the Assembly Committee's consultant, Katie Kolitsos. Kolitsos noted that the proposed §25215.5 (a) allowed CSAs to impose property-related fees and charges for the CSAs' property-related services, if they followed the constitutional requirements imposed by Proposition 218 (1996). After the California Supreme Court's decision in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, the Legislature amended Government Code §53755 to spell out the notice and protest provisions that local officials must follow when imposing property-related fees (AB 1260, Caballero, 2007). Kolitsos recommended adding a cross-reference to Government Code §53755.

The May 23 amendments also inserted "double-jointing" amendments to AB 2484 (Caballero), by adding Section 9.5 and Section 23 to SB 1458. When two bills amend the same code section, but in different ways, and both are signed into law, they could result in the problem known as "chaptering-out." The bill signed second gets a higher chapter number than the bill that the governor signed first. The second bill then chapters-out the changes made by the first bill. In other words, the changes made by the first bill never become operative. The way to avoid the problem of chaptering-out is to insert what legislators call double-jointing language into both bills. In that way, legislators can assure that the statutory changes proposed by both bills become law if both bills pass and the governor signs them into law. AB 2484 (Caballero) proposed to amend Government Code §57075, as did SB 1458. Therefore, the May 23 amendments to SB 1458 protected the Legislature's intent to make both changes to §57075.

**June 2, third amendments.** In late May, Tim Bittle, legal affairs director for the Howard Jarvis Taxpayers Association, raised what he called a "minor concern" with the language of the May 23

amendments. Bittle argued that the words “notice and protest” suggested that CSAs would be exempt from voter approval. The June 2 amendments deleted those words from the proposed §25215.5 (a).

**June 4, Assembly committee hearing.** The Assembly Local Government Committee’s four-page bill analysis prepared for its June 4 hearing described the bill’s key features and offered three comments that established context. Senator Negrete McLeod presented the bill to the Assembly policy committee which then approved SB 1458 by a roll call vote of 7 to 0.

**June 12, fourth amendments.** After the Assembly Local Government Committee’s hearing, legislative staff discovered another potential chaptering-out problem, this time involving AB 1263 (Caballero) and conflicting amendments to Government Code §56375. Both SB 1458 and AB 1263 proposed amending Government Code §56375, but in different ways. Once again, the solution was a set of nonsubstantive double-jointing amendments (Section 8.5 and Section 22 of the bill) which were adopted on the Assembly Floor on June 12.

**June 16, Assembly Floor vote.** Assembly Member Caballero, Chair of the Assembly Local Government Committee, presented SB 1458 on the Assembly Floor. The four-page analysis that was available to all Assembly Members was essentially the same as the Assembly Local Government Committee’s review. The roll call vote of 74 to 0 sent the bill back to the Senate for concurrence in the Assembly’s May 23, June 2, and June 4 amendments.

**June 30, Senate Floor concurrence vote.** The seven-page concurrence analysis prepared by the Office of Senate Floor Analyses for SB 1458 noted that the Assembly amendments added double-jointing language and clarified that CSAs’ property-related fees must comply with Proposition 218’s implementing statutes. Senator Negrete McLeod briefly presented the bill and received the Senate’s concurrence in the Assembly amendments by a roll call vote of 35 to 0.

**July 21, Governor’s signature.** On July 1, Senator Negrete McLeod sent a formal letter to Governor Arnold Schwarzenegger, asking him to sign SB 1458 which she called “the first comprehensive revision of the County Service Area Law since the Legislature originally passed that statute in 1953.” The Senator’s letter noted that the Working Group had reached a near consensus on the recommendations that became the basis for SB 1458. She also pointed out that no “no” votes had been cast against the bill as it moved through the legislative process.

Following the standard practice, SB 1458 went through the formal enrollment procedures, reaching Governor Schwarzenegger’s office at 3:00 p.m. on July 8. On July 10, Deputy Legislative Council Jennifer Green sent Governor Schwarzenegger a formal memo that notified him of her office’s approval of the bill’s form and constitutionality. Green’s memo reported the details of the double-jointing language in SB 1458 that would protect the provisions of AB 2484 (Caballero) and AB 1263 (Caballero). In addition, the bill’s supporters sent their own letters to Governor Schwarzenegger, asking him to sign SB 1458.

On July 21, Governor Schwarzenegger signed SB 1458 into law as Chapter 158 of the Statutes of 2008. The newly enacted County Services Area Law will become effective on January 1, 2009.

**Table 3: Participation in the Working Group on Revising the County Service Area Law**

	<u>9/28</u>	<u>10/12</u>	<u>12/7</u>	<u>12/14</u>	<u>2/1</u>	<u>Totals</u>
<b><u>County Supervisors</u></b>						
Cox, San Diego County	No	Yes*	Yes*	No	No	2
Dolan, Butte County	No	No	No	No	No	0
<b><u>County Administrators</u></b>						
Kanold, San Bernardino Co.	Yes	Yes	Yes	No	Yes	4
Thompson, San Benito Co.	No	Yes	No	No	No	1
<b><u>Special District Experts</u></b>						
Braitman	Yes	Yes	No	No	Yes	3
Frank	Yes	No	Yes	No	No	2
Kaneko	Yes	Yes	No	No	No	2
Manatt	Yes	Yes	No	No	Yes	3
<b><u>Associations</u></b>						
CALAFCO, Chiat	Yes	Yes	No	No	Yes	3
CAR, Carlisle	Yes	No	Yes	Yes	Yes	4
CFBF, Gamper	Yes	Yes	Yes	Yes	Yes	5
CSDA, Vu	Yes	Yes	Yes	Yes	Yes	5
CSAC, Neill	Yes	Yes	Yes	Yes	Yes	5
CalTax, Pielsticker	No	No	No	No	No	0
CCAC, Gilchrist	Yes	Yes	Yes	Yes	Yes	5
HJTA, Wolfe	No	Yes	Yes	Yes	Yes	4
LCC, Higgins	No	Yes	No	No	Yes**	2
RCRC, Smith	<u>Yes***</u> <u>No</u>		<u>Yes</u>	<u>No</u>	<u>No</u>	2
<b>Totals:</b>	12	13	10	6	11	

\* Represented by William Dean Smith

\*\* Represented by Dan Schwarz

\*\*\* Represented by Mary Pitto

**Text and Commentary****CALIFORNIA GOVERNMENT CODE****Title 3. Government of Counties****Division 2. Officers****Part 2. Board of Supervisors****Chapter 2.5. County Service Areas****Article 1. General Provisions**

25210. This chapter shall be known and may be cited as the County Service Area Law.

Topic, Derivation, and Comments: Name. Based on §25210.2.

The Working Group wanted to keep the statute's original name, but wanted the new CSA Law to start with a section that is a whole number instead of the 1953 CSA Law's §25210.1. Therefore, the new CSA Law renumbers the former §25210 as §25209.3.

The 1953 CSA Law is Chapter 2.2 of Part 2, but there is no other chapter between Chapter 2 (county supervisors' general powers) and Chapter 3 (county supervisors' financial powers). Therefore, it's appropriate to renumber the new CSA Law as Chapter 2.5.

One Working Group member asked if the new CSA Law could start at a round number, but there is no other available convenient statutory location. However, because CSAs rely on county boards of supervisors, it's appropriate to keep the new CSA Law in Part 2.

25210.1. The Legislature finds and declares all of the following:

(a) Population growth and development in unincorporated areas result in new and increased demands for public facilities and services that promote the public peace, health, safety, and general welfare.

(b) The residents and property owners in unincorporated areas should have reasonable methods available so that they can finance and provide these needed public facilities and services.

(c) The residents and property owners in some unincorporated areas may propose the incorporation of new cities or annexations to existing cities as a way to fulfill these demands for public facilities and services.

(d) In other unincorporated areas, independent special districts with directly elected or appointed governing boards can fulfill these demands for public facilities and services.

(e) County boards of supervisors need alternative organizations and methods to finance and provide needed public facilities and services to the residents and property owners of unincorporated areas.

(f) In enacting the County Service Area Law by this chapter, it is the intent of the Legislature to continue a broad statutory authority for county boards of supervisors to use county service areas as a method to finance and provide needed public facilities and services.

(g) Further, it is the intent of the Legislature that county boards of supervisors, residents, and property owners use the powers and procedures provided by the County Service Area Law to meet the diversity of local conditions, circumstances, and resources.

Topic, Derivation, and Comments: Legislative Findings and Intent. Based on §25210.1.

Every major statute deserves a statement of legislative intent to guide public officials, practitioners, and the courts. This section expresses the Legislature's intent in enacting the new CSA Law.

Subdivision (a) is based on the first paragraph of the former §25210.1, but without the outdated reference to "unprecedented growth ... particularly since 1940" that appears in the 1953 CSA Law.

Subdivision (b) is based on the third paragraph of the former §25210.1.

Subdivisions (c) and (d) are new, reflecting the existence of other governance options that are available to unincorporated communities at the beginning of the 21st Century.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Subdivision (e) is based on the second and fourth paragraphs of the former §25210.1.

Subdivision (f) is new, acknowledging that the new CSA Law is the successor to the 1953 CSA Law. Also see the new §25210.3.

Subdivision (g) is based on the fourth paragraph of the former §25210.1.

25210.2. Unless the context requires otherwise, as used in this chapter, the following terms shall have the following meanings:

(a) “Board” means the county board of supervisors acting as the governing authority of a county service area.

(b) “Commission” or “local agency formation commission” means a local agency formation commission that operates in the county pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5.

(c) “County service area” means a county service area formed pursuant to this chapter or any of its statutory predecessors.

(d) “Geologic hazard” means an actual or threatened landslide, land subsidence, soil erosion, earthquake, or any other natural or unnatural movement of land or earth.

(e) “Inhabited territory” means territory within which there reside 12 or more registered voters. All other territory shall be deemed “uninhabited.”

(f) “Landowner” or “owner of land” means all of the following:

(1) Any person shown as the owner of land on the county’s most recent assessment roll, except where that person is no longer the owner. Where that person is no longer the owner, the landowner or owner of land is any person entitled to be shown as the owner of land on the next assessment roll.

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

(3) Any public agency owning land, provided that a public agency which owns highways, rights-of-way, easements, waterways, or canals shall not be deemed a landowner or owner of land.

(g) “Latent power” means any service or facility authorized by Article 4 (commencing with Section 25213) that the local agency formation commission has determined, pursuant to subdivision (h) of Section 56425, that the county service area was not authorized to provide prior to January 1, 2009.

(h) “Voter” means a voter as defined by Section 359 of the Elections Code.

(i) “Zone” means a zone formed pursuant to Article 8 (commencing with Section 25217).

[THE COMMENTARY APPEARS ON THE NEXT PAGE.]

Topic, Derivation, and Comments: Definitions.

These definitions apply throughout the entire new CSA Law. The Working Group noted the need to define specific terms and to pull those definitions together into a single statutory location.

Subdivision (a) is new and based on the former §25210.9d.

Subdivision (b) is new and derived from §56027.

Subdivision (c) is new.

Subdivision (d) is based on the former §25210.4a (14). This language is identical to the definition of “geologic hazard” in Public Resources Code §26507 that applies to geological hazard abatement districts.

Subdivision (e) is new and derived from §56042.

Subdivision (f) is new and derived from §56048.

Subdivision (g) is new and derived from §61002 (h) for CSDs.

This definition is integral to the new §25213.5. Note, however, that unlike the CSD Law which focuses on the services and facilities that a CSD did not *provide* by a specified date, this language focuses on the services and facilities that a CSA was not *authorized* to provide before January 1, 2009. That’s the effective date of SB 1458 and the new CSA Law.

As a practical matter, LAFCO staffs and county officials should cooperate in researching each CSA’s origins to document its authorized services and facilities. For CSAs formed in the recent past, this research may be as simple as reviewing the LAFCO executive officer’s report on the proposed formation (§56665) and the commission’s resolution of approval (§56880). For older CSAs formed before LAFCOs had a formal procedural role, public officials may need to scour government archives to locate reliable information such as a resolution declaring the formation of a CSA or a record of an action to expand a CSA’s authorized services. By explicitly cross-referencing §56425, this language directs public officials to LAFCO’s determination of a sphere of influence for each CSA before January 1, 2009. That reference in turn leads to the information that LAFCO collected during the preparation of its municipal service reviews (§56430).

Note, however, that the statutory cross-reference to subdivision (h) of §56425 is wrong and should refer to subdivision (i). Legislators may wish to consider correcting this obvious drafting error in a future clean-up bill.

Subdivision (h) is new and derived from §61002 (l) for CSDs.

Subdivision (i) is new and derived from §61002 (m) for CSDs.

25210.3. (a) This chapter provides the authority for the organization and powers of county service areas. This chapter succeeds the former Chapter 2.2 (commencing with Section 25210.1) as added by Chapter 858 of the Statutes of 1953, and as subsequently amended.

(b) Any county service area established pursuant to the former Chapter 2.2 which was in existence on January 1, 2009, shall remain in existence as if it had been formed under this chapter.

(c) Any improvement area, improvement zone, or zone formed pursuant to the former Chapter 2.2 which was in existence on January 1, 2009, shall be deemed to be a zone and remain in existence as if it had been formed as a zone pursuant to Article 8 (commencing with Section 25217).

(d) Any indebtedness, bond, note, certificate of participation, contract, special tax, benefit assessment, fee, charge, election, ordinance, resolution, regulation, rule, or any other action of a board taken pursuant to the former Chapter 2.2 before January 1, 2009, shall not be impaired or voided solely because of the enactment of this chapter or any error, omission, informality, misnomer, or inconsistency with this chapter.

(e) Any approval or determination, including, but not limited to, terms and conditions made with respect to a county service area by a local agency formation commission before January 1, 2009, shall remain in full force and effect.

Topic, Derivation, and Comments: Succession and Savings Clauses. New and derived from §61003 for CSDs.

To protect county supervisors' earlier decisions regarding CSAs, this section makes it clear that the new CSA Law is the successor to the 1953 CSA Law.

This language and many other sections in the new CSA Law follow language in the Community Services District Law (§61000, et seq.) which the Legislature thoroughly revised in 2005 (Chapter 249 of the Statutes of 2005; SB 135, Kehoe, 2005). For more information about that statutory revision project, including a detailed commentary on the Community Services District Law, see *Community Needs, Community Services: A Legislative History of SB 135 (Kehoe) and the "Community Services District Law,"* Senate Local Government Committee (March 2006).

For a general overview of special districts, see Kimia Mizany & April Manatt, *What's So Special About Special Districts? A Citizen's Guide to Special Districts in California (Third Edition)*, Senate Local Government Committee (February 2002).

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

An ambiguity in the 1953 CSA Law remains unresolved in the new CSA Law. The Working Group learned that some counties (e.g., San Bernardino County) treat their CSAs as if they were special districts, while others (e.g., Sacramento County) treat CSAs as if they were merely financing devices of the county government.

A 1959 Attorney General's opinion said that "a county service area is merely an administrative unit within the county" (31 Ops.Cal.Atty.Gen. 73, 75). The Attorney General took this position again in 1964 when he explained that the LAFCOs didn't have jurisdiction over the formation of CSAs because CSAs "are considered nothing more than an administrative unit or instrumentality of the county" (43 Ops.Cal.Atty.Gen. 267, 269). The Legislature responded by requiring a LAFCO's approval of the formation of a new CSA (the former §25210.13, added by Chapter 920 of the Statutes of 1967; AB 1620, Knox, 1967). Other statutes also treat CSAs as if they were special districts. For example, the Attorney General issued an indexed letter opinion saying that CSAs are special districts for the purposes of reimbursing the costs of state-mandated local programs (IL 73-115; July 23, 1973). Later, the Legislature clarified and confirmed that position in Revenue and Taxation Code §2215.

Even after discussing these different approaches at length, the Working Group was not able to recommend a clear resolution. The result is that the new CSA Law acknowledges that a county board of supervisors acts as a CSA's "governing authority" (see the new §25210.2 [a]). The new CSA Law treats CSAs as if they were separate local governments for some purposes (e.g., formation). For other purposes, the county board of supervisors may treat CSAs as separate special districts or as part of the county government (e.g., appropriations limits; see the new §25214.1). And, just like the 1953 CSA Law, the new CSA Law is silent on questions of liability, perpetual succession, or other topics that are usually found in special districts' principal acts.

These ambiguities have given rise to different interpretations and treatments of CSAs by counties. The intent of the new CSA Law is to allow county boards of supervisors to continue to exercise flexibility in forming and using CSAs in a manner that they deem appropriate to meet their respective counties' local needs.

25210.4. This chapter shall be liberally construed to effectuate its purposes.

Topic, Derivation, and Comments: Liberal Construction. New and derived from §61004 for CSDs.

The 1953 CSA Law did not direct the courts to broadly interpret the CSA Law. If someone sues a county for stretching its statutory authority, this new language will be useful in defending the county's actions. This approach is consistent with the Working Group's desire to have the Legislature give county boards of supervisors enough power to use the new CSA Law to serve diverse communities; see the new §25210.1 (h).

25210.5. If any provision of this chapter or the application of any provision of this chapter in any circumstance or to any person, county, city, special district, school district, the state, or any agency or subdivision of the state is held invalid, that invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application of the invalid provision, and to this end the provisions of this chapter are severable.

Topic, Derivation, and Comments: Severability. New and derived from §61005 for CSDs.

The 1953 CSA Law lacked a severability clause, so this new language is here just in case a court finds that some piece of the new CSA Law is invalid. If that happens, the rest of the new CSA Law will still remain on the books.

25210.6. (a) Any action to determine the validity of the organization of a county service area or zone shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(b) Any action to determine the validity of any bonds, warrants, contracts, obligations, or evidence of indebtedness of a county service area shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(c) (1) Any action or proceeding to validate, attack, review, set aside, vote, or annual or ordinance or resolution adopted pursuant to this chapter and levying, fixing, or extending an assessment, charge, or fee or modifying or amending any existing ordinance or resolution shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 20 or Part 2 of the Code of Civil Procedure.

(2) If an ordinance or resolution provides for an automatic adjustment in an assessment, charge, or fee, and the automatic adjustment results in an increase in the amount of an assessment, charge, or fee, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 60 days of the effective date of the increase.

(3) Any appeal from a final judgment in the action or proceeding brought pursuant to this subdivision shall be filed within 30 days after entry of the judgment.

(d) Any judicial action to review any other action taken pursuant to this chapter shall be brought pursuant to Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure.

Topic, Derivation, and Comments: Lawsuits. Based on §25210.77g and §25211.175, and derived from §61006 for CSDs.

The 1953 CSA Law didn't give a comprehensive explanation on how to challenge counties' CSA decisions. This language, derived from §61006 for CSDs, explains how to sue counties and which standards of review apply to different types of decisions.

Subdivision (a) relating to organizational topics is new and derived from §61006 (a) for CSDs. Under the former §25210.19, the formation of a CSA was "final and conclusive." This new language provides for judicial review.

Subdivision (b) relating to bonds, contracts, and debts is based on the former §25211.175 and derived from §61006 (b) for CSDs.

Subdivision (c) relating to assessments, charges, and fees is based on the former §25210.77g.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Subdivision (d) relating to other decisions is derived from Health & Safety Code §9006 (b) for public cemetery districts. The usual standard of review for legislative actions is Code of Civil Procedure §1085; for administrative actions the usual standard of review is Code of Civil Procedure §1094.5. Rather than listing separate standards of review for separate types of decisions (as in the CSD Law at §61006 [c] & [d]), this language provides a general reference to the chapter in the Code of Civil Procedure that contains both standards. In other words, both CCP §1085 and CCP §1094.5 are located in Chapter 2 and so both are covered by this language.

25210.7. (a) Territory, whether contiguous or noncontiguous, in the unincorporated area of a single county may be included in a county service area.

(b) A county service area that includes the entire unincorporated area of a county may be formed to provide any or all of the services and facilities authorized by this chapter if the county does not provide those services and facilities to the same extent to the entire area of the county.

(c) All or any part of a city may be included in a county service area only if the city council gives its consent, as provided in this chapter. The executive officer of a local agency formation commission shall not issue a certificate of filing pursuant to Section 56658 for an application for an annexation of incorporated territory to a county service area or a reorganization that would result in the annexation of incorporated territory to a county service area, unless the application is accompanied by a resolution adopted by the city council of the affected city that consents to the annexation of that incorporated territory.

(d) Land devoted primarily to the commercial production of agricultural products, timber, or livestock may be included in a county service area only if that land is contiguous to other land within the county service area and only if the land will benefit from the services and facilities that the county service area provides. A local agency formation commission shall not approve any change of organization or reorganization that would result in the inclusion of land devoted primarily to the commercial production of agricultural products, timber, or livestock in a county service area unless the board finds that the land will benefit from the services and facilities that the county service area provides.

(e) Except as provided in this chapter, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5), shall govern any change of organization or reorganization of a county service area. In the case of any conflict between that division or this chapter, the provisions of this chapter shall prevail.

(f) A county service area shall not be deemed an “independent special district” as defined by Section 56044 and as that term is used in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5).

(g) Whenever the boundaries of an improvement zone change, a county shall comply with Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5.

Topic, Derivation, and Comments: Area and Boundaries.

This section explains what territory a CSA can include and how the LAFCO statutes govern boundary changes.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Subdivision (a) is based on the former §25210.10 and the former §25210.80. However, this language goes beyond those two sections to make it clear that a CSA’s territory doesn’t have to be contiguous. Further, the reference to “a single county” makes it clear that a CSA can’t cross county boundaries.

Subdivision (b) is based on the former §25210.4c. This language allows a county to form an unincorporated-wide CSA to provide services and facilities that it only delivers in unincorporated territory, outside the cities. For example, a county could use this section to create a CSA to finance local recreation programs, a service that the county doesn’t offer inside cities. If used with the creation of zones (see the new Article 8 which begins with the new §25217), this language may be an effective way to segregate the costs and benefits of municipal-type services outside cities.

Subdivision (c) is based on the former §25210.10a and the former §25210.80a. The requirement to have a city council’s consent before the LAFCO can accept an application to annex incorporated territory to a CSA is derived from the concept in Revenue & Taxation Code §99 (b)(6); the LAFCO executive officer can’t accept a proposal unless someone else is satisfied. Also see the new §25211.4 (c) for the provision that requires a city council’s consent for the formation of a CSA that includes incorporated territory.

Subdivision (d) is based on the former §25210.1a. The 1953 CSA Law required the county supervisors to make a finding before including land used for agriculture, timber, or livestock in a CSA. That approach made sense because the 1953 CSA Law originally gave county supervisors the final control over CSAs’ boundaries. The new CSA Law assigns those decisions to the LAFCOs, just like the control that the LAFCOs have over the boundaries of cities and most special districts, but retains the requirement for the county supervisors to find that the land will benefit from a CSA’s services and facilities. Note that the language refers to “commercial production” which is a little different than the former phrase “devoted primarily to...”

Subdivision (e) is based on the former §25210.3a, the former §25210.3b, the former §25210.80, and the former §25210.90, and derived from §61007 (b) for CSDs.

Subdivision (f) is new. Under the Cortese-Knox-Hertzberg Act, “independent special districts” can gain representation on the LAFCOs; see §56325 (c), §56332, and §56332.5. When represented on a LAFCO, independent special districts must share in the LAFCO’s budget costs; see §56381.6. Because county boards of supervisors govern CSAs, they are not independent special districts, as this language makes clear.

Subdivision (g) is based on the former §25210.86, and derived from §61009 for CSDs. When a CSA’s exterior boundaries change, §57204 requires the LAFCO executive officer to file a formal statement with the State Board of Equalization and county officials. When a board of supervisors changes the boundaries of a CSA’s internal zone, this “billboard” provision reminds county officials of that requirement. Note that this language incorrectly refers to an “improvement zone,” while the correct term should be “zone” (see the new §25210.2 [i]).

25210.8. (a) Except as otherwise provided in this chapter, elections for a county service area or zone are subject to the Uniform District Election Law (Part 4 (commencing with Section 10500) of Division 10 of the Elections Code).

(b) A county may conduct any election for a county service area or zone by all-mailed ballots pursuant to Division 4 (commencing with Section 4000) of the Elections Code.

(c) A county may hold advisory elections for a county service area or zone pursuant to Section 9603 of the Elections Code.

Topic, Derivation, and Comments: Elections. New and derived from §61008 for CSDs.

This section explains how county officials hold CSA elections.

Subdivision (a) is new and derived from §61008 (a) for CSDs. Note that the Working Group wanted CSA elections to follow the Uniform District Election Law (UDEL) and not county election procedures as provided for in the 1953 CSA Law. See, for example, the former §25210.18a (elections to establish CSAs) and the former §25210.23 (referenda elections).

Subdivision (b) is new and derived from §61008 (c) for CSDs. This language is a “bill-board” to mailed ballot elections. Elections Code §4108 already allows special districts to use mailed ballots. Because CSAs aren’t special districts for all purposes, this language makes it clear that CSAs can use mailed ballots.

Subdivision (c) is new and derived from §61008 (d) for CSDs. This language is a “bill-board” for advisory elections. Elections Code §9603 already allows special districts to hold advisory elections. Because CSAs aren’t special districts for all purposes, this language makes it clear that CSAs can have advisory elections.

**Article 2. Formation**

25211. A new county service area may be formed pursuant to this article.

Topic, Derivation, and Comments: Formation Authority. Based on the former §25210.10 and derived from §61010 for CSDs.

This section signals the beginning of the article that lays out the statutory procedures for forming a new CSA.

Note that this language uses the term “form” instead of “establish” which is the term that the 1953 CSA Law sometimes uses. “Form” and “formation” are the more commonly used terms in the Cortese-Knox-Hertzberg Act. See, for example, §56021 (b) and §56039.

25211.1. (a) A proposal to form a new county service area may be made by petition. The petition shall do all of the things required by Section 56700. In addition, the petition shall do all of the following:

(1) State which services and facilities it is proposed that the county service area be authorized to provide upon formation.

(2) Set forth the proposed methods by which the county service area will finance those services and facilities, including, but not limited to, special taxes, benefit assessments, and fees.

(3) Propose a number or distinctive name for the county service area. Notwithstanding Section 7530, every county service area shall have the words "County Service Area" within its name.

(b) The petitions, the proponents, and the procedures for certifying the sufficiency of the petitions shall comply with Chapter 2 (commencing with Section 56700) of Part 3 of Division 5. In the case of any conflict between that chapter and this article, the provisions of this article shall prevail.

(c) As determined by the local agency formation commission, the petition shall be signed by not less than either:

(1) Twenty-five percent of the registered voters living in the area to be included in the county service area.

(2) Twenty-five percent of the number of owners of land who own not less than 25 percent of the assessed value of land within the area to be included in the county service area.

Topic, Derivation, and Comments: Formation Petition.

This section explains how registered voters can petition LAFCO to start formation proceedings. This language departs from the 1953 CSA Law which requires LAFCO to approve the proposed formation of a CSA (the former §25210.13) before the voters can even circulate a petition which they then must submit to the board of supervisors (the former §25210.11 [c]). Instead, the Working Group wanted the new CSA Law to follow the approach for city incorporations and many other special district formations. The petitions come to LAFCO, which then decides on the feasibility and desirability of the proposed new CSA.

Subdivision (a) is based on the former §25210.12 (c) and derived from §61011 (a) for CSDs. By cross-referencing the Cortese-Knox-Hertzberg provisions, this language places the CSA formation procedures solidly within the LAFCO context. For example, §56700 requires petitions to include basic information about a proposed boundary change. Just like the former §25210.12 (c), the list in paragraph (1) requires the petitioners to be clear about what services they want the CSA to provide.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Paragraph (2) goes on to require the petitioners to explain how they want the CSA to pay for those services. This new requirement should help to avoid “hollow shell CSAs” that promise to deliver public services, but can’t pay for them. By requiring formation petitions to spell out a proposed CSA’s funding, this language should inject fiscal reality into the popular enthusiasm for forming a new CSA. This approach is different from the 1979 *Santa Barbara* decision which said: “How the service will be financed once it [the CSA] is formed is a separate question, one to be resolved subsequently to formation and one upon the answer to which the creation of the service area does not depend.”

Paragraph (3) gives the petitioners the chance to propose a name and not just a number for the new CSA. Although most counties use numbers to identify their CSAs, some communities may find it helpful to call CSAs by distinctive names. See the new §25212.1 (e) for the procedures to change a CSA’s number or name.

Subdivision (b) is derived from §61011 (b) for CSDs. This language directs everyone to the standard LAFCO procedures.

Subdivision (c) is based on the former §25210.12 (d) and derived from §61011 (c) for CSDs.

In paragraph (1), however, note that the Working Group recommended that the new CSA Law should raise the signature threshold for registered voters from 10% to 25%. The Working Group argued that the formation of a new, possibly multi-function service provider is a serious undertaking, one that should have substantial public support. The 25% petition is the same as what other statutes require for new cities and many other types of special districts.

Paragraph (2) is new and derived from §56864 (a)(2) & (b). The Working Group wanted the new CSA Law to let landowners (and not just registered voters) petition LAFCO for the formation of a new CSA. Note that this language specifically refers to “owners of land,” not property owners. It also uses the phrase “assessed value of land,” and not property values which include both land and improvements. This emphasis on landowners and land values reflects the approach used in the Cortese-Knox-Hertzberg Act. See §56710 for an explanation of how LAFCO determines the sufficiency of landowners’ petitions.

25211.2 (a) Before circulating any petition, the proponents shall publish a notice of intention which shall include a written statement not to exceed 500 words in length, setting forth the reasons for forming the county service area, the proposed services and facilities that the county service area will provide, and the proposed methods by which the county service area will be financed. The notice shall be published pursuant to Section 6061 in one or more newspapers of general circulation within the territory proposed to be included within the county service area.

(b) The notice shall be signed by one or more petitioners, and shall be in substantially the following form:

“Notice of Intent to Circulate Petition

“Notice is hereby given of the intention to circulate a petition to form the \_\_\_\_\_ [number or distinctive name of the county service area]. The reasons for forming the proposed county service area are: \_\_\_\_\_. The proposed services and facilities that the county service area will provide are: \_\_\_\_\_. The proposed method(s) by which the county service area will finance those services and facilities are: \_\_\_\_\_.”

(c) Within five days after the date of publication, the proponents shall file with the executive officer of the local agency formation commission and the clerk of the board of supervisors a copy of the notice together with an affidavit made by a representative of the newspaper or newspapers in which the notice was published certifying to the fact of the publication.

(d) After the filing required by subdivision (c), the petition may be circulated for signatures.

Topic, Derivation, and Comments: Notice of Intention. New and derived from §61012 for CSDs.

Even before they can circulate formation petitions, the proponents must publicly state their intentions and file a statement with LAFCO. Consistent with the new §25211.1, this language requires the proponents to list the services and facilities that the proposed CSA will provide and the proposed methods of financing those services and facilities.

Note that subdivision (c) requires the proponents to file a copy of their notice with the clerk of the board of supervisors, in addition to filing it with LAFCO. Getting this early notice to county officials is important because it sets up the county supervisors’ opportunity to block the formation of a proposed CSA. See the new §25211.4 (d). To make that procedure work, county officials need to know about proposed CSAs well in advance.

25211.3. (a) A proposal to form a new county service area may also be made by the adoption of a resolution of application by the board of supervisors. Except for the provisions regarding the signers, the signatures, and the proponents, a resolution of application shall contain all of the matters specified for a petition in Section 25211.1.

(b) Before adopting a resolution of application, the board of supervisors shall hold a public hearing on the resolution. Notice of the hearing shall be published pursuant to Section 6061. At least 20 days before the hearing, the board of supervisors shall give mailed notice of its hearing to the executive officer of the local agency formation commission. The notice shall generally describe the proposed formation of the county service area, the territory proposed to be included in the county service area, the proposed services and facilities that the county service area will provide, and the proposed methods of financing the services and facilities.

(c) The clerk of the board of supervisors shall file a certified copy of the resolution of application with the executive officer of the local agency formation commission.

Topic, Derivation, and Comments: Application by Resolution. New and derived from §61013 for CSDs.

Unlike the 1953 CSA Law, this language requires the county board of supervisors to adopt a formal resolution of application and apply to LAFCO, rather than have the county supervisors act after the LAFCO's review. See the former §25210.11 and the former §25210.13.

Note that subdivision (a) requires a resolution adopted by the county supervisors. This language is different from the former §25210.11 (a) and the former §25210.14 which required only two county supervisors to assent before kicking off formation proceedings. In a county with a five-member board of supervisors, this resolution will require three affirmative votes. See §25005 which requires a county board of supervisors to act by a majority of all of its members.

The former §25210.11 (b) allowed a city council to adopt a resolution that triggers the formation of a CSA (after, of course, the LAFCO has already approved the application). This language omits the opportunity for a city to apply for the formation of a CSA.

A 1974 Attorney General's opinion concluded that, "A city may petition for the establishment of a county service area which would be completely outside of the city and which would provide no services to the residents of the city" (57 Ops.Cal.Atty.Gen. 423). The Attorney General also explained that, "We see no absurdity in letting a city request establishment of a county service area completely outside the city with the possibility, at least, of effectuating a more equitable distribution of the tax burden between city residents and their neighbors in unincorporated territory. In so holding, we note that the final determination regarding such matters still lies with the board of supervisors and the county taxpayers and residents in that they have the final say as to whether the area should be established."

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

The 1979 *Santa Barbara* decision extensively cited the Attorney General's 1974 opinion in a case that explored the City of Santa Barbara's application to form a new CSA that would have paid for the costs of sheriff's patrol services in unincorporated areas. The *Santa Barbara* decision reviewed the legislative and political history of the 1953 CSA Law, relying on Joy Braun Stone's 1976 article, "The County Service Area Law: Meaning of Extended Services." Braun Stone's paper traced the origins of the 1953 CSA Law back to the 1951 bitter political controversy that pitted cities against counties. Relying on the "McMillan Report," the League of California Cities (and the cities in Los Angeles County in particular) contended that county governments used their countywide tax revenues (including the property taxes paid by city residents) to subsidize services that benefited only unincorporated areas. The cities wanted the Legislature to pass a law that would let cities force counties to pay for unincorporated services with revenues generated from unincorporated territory.

After discussion, the Working Group agreed to omit a city's ability to apply for the formation of a new CSA. The Working Group considered these questions:

- *As a practical matter, how often do city councils propose CSAs?* The Working Group wasn't aware of any recent city proposals.
- *If cities have proposed CSAs, were any ever formed?* The Working Group wasn't aware of any.
- *Is the question of using countywide revenues to subsidize unincorporated services moot?* The Working Group wasn't aware of any recent controversies.
- *Has the Legislature's allocation and shifting of property tax revenues (e.g., AB 8, ERAF shifts, Proposition 1A) obscured any remaining differences between incorporated and unincorporated revenue and spending?* The Working Group agreed.
- *Do cities want to retain the ability to propose CSAs in unincorporated areas?* The Working Group wasn't aware of any cities that wanted to propose CSAs.

The Working Group noted that a city could still approach the county board of supervisors and ask the board to initiate the formation of a new CSA.

25211.4. (a) Once the proponents have filed a sufficient petition or a board of supervisors has filed a resolution of application, the local agency formation commission shall proceed pursuant to Part 3 (commencing with Section 56650) of Division 3 of Title 5.

(b) (1) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a county service area unless the commission determines that the proposed county service area will have sufficient revenues to carry out its purposes.

(2) Notwithstanding paragraph (1), a local agency formation commission may approve a proposal that includes the formation of a county service area where the commission has determined that the proposed county service area will not have sufficient revenue provided that the commission conditions its approval on the concurrent approval of special taxes, benefit assessments, or property-related fees or charges that will generate those sufficient revenues. In approving the proposal, the commission shall provide that if the voters or property owners do not approve the special taxes, benefit assessments, or property-related fees or charges, the proposed county service area shall not be formed.

(c) (1) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a county service area that would include territory within a city unless, before the close of the commission's hearing, the city council has filed and not withdrawn a resolution that consents to the inclusion of that incorporated territory.

(2) Notwithstanding paragraph (1), a local agency formation commission may approve a proposal that includes the formation of a county service area that proposes to include territory within a city if the city council has not consented to the inclusion of that incorporated territory provided that the commission modifies the boundaries of the proposed county service area to exclude that incorporated territory.

(d) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a county service area if, before the close of the commission's hearing, the board of supervisors has filed and not withdrawn a resolution that objects to the formation of that county service area.

(e) If the local agency formation commission approves the proposal for the formation of a county service area, then the commission shall proceed pursuant to Part 4 (commencing with Section 57000) of Division 3 of Title 5.

(f) The local agency formation commission shall take one of the following actions:

(1) If a majority protest exists in accordance with Section 57078, the commission shall terminate proceedings.

(2) If no majority protest exists, the commission shall do one of the following:

(A) Order the formation without an election where all of the following apply:

(i) The territory within the proposed county service area is not inhabited territory.

[THE TEXT CONTINUES ON THE NEXT PAGE.]

(ii) All of the owners of land within the proposed county service area have given their written consent to the formation of the proposed county service area.

(iii) No special tax, benefit assessment, or property-related fee or charge is needed.

(B) Order the formation subject to the approval by the voters or landowners pursuant to Section 25211.5, in the case where no special tax, benefit assessment, or property-related fee or charge is needed.

(C) Order the formation subject to the approval by the voters of a special tax, the approval by the property owners of a benefit assessment, or the approval of property-related fees or charges, as required by law.

(g) If the local agency formation commission orders the formation of a county service area pursuant to paragraph (2) of subdivision (f), the commission shall direct the board of supervisors to direct county officials to conduct the necessary election.

Topic, Derivation, and Comments: LAFCO Proceedings. Derived from §61014 for CSDs.

This language explains how LAFCO must respond to the proposed formation of a CSA under various conditions. The 1953 CSA Law assigned these duties to the county supervisors (see the former §25210.11 - §25210.19), but the new CSA Law follows an approach that is similar to the procedures for forming many types of special districts.

Subdivision (a) is derived from §61014 (a) for CSDs.

Subdivision (b) is derived from §61014 (b) & (c) for CSDs. This language dovetails with the provisions of the Cortese-Knox-Hertzberg Act that require a LAFCO to consider service needs and costs (§56668 [b]), service capacity and revenues (§56668 [j]), and governance alternatives (§56886.5). In other words, the LAFCO must link the formation with the funding.

Paragraph (1) prohibits a LAFCO from approving a proposed CSA if it lacks sufficient revenue. The Working Group was concerned that a LAFCO might bow to local pressure to form a new CSA, but then the voters would turn down the needed revenues.

Paragraph (2) lets a LAFCO approve the formation of an underfunded CSA contingent on the voters or property owners approving the appropriate funding. If they reject the new taxes, assessments, or property-related fees, then the formation fails. The Working Group wanted to avoid creating CSAs that would be merely “hollow shells.” Note that unlike the Community Services District Law, this language allows a LAFCO to make the formation of a CSA contingent on property-related fees, provided that the voters or property owners approve them, consistent with the constitutional requirement set by Proposition 218 (California Constitution Article XIII D, §6).

Subdivision (c) is based on §25210.10a.

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Paragraph (1) prohibits a LAFCO from approving a proposed CSA that would include part of a city unless the city council consents. To consent, the city council must file (and not withdraw) a resolution with the LAFCO.

Paragraph (2) lets a LAFCO approve the formation of a CSA which was proposed to include incorporated territory to which the city council objected contingent on changing the proposed boundaries to remove the incorporated territory.

Subdivision (d) is based on the former §25210.18. The 1953 CSA Law allowed the board of supervisors to “abandon” the formation of a proposed CSA. This language retains the county supervisors’ discretion to block the formation of a CSA. The phrase “filed and not withdrawn” comes from the way that LAFCOs must treat protests; for example, see §57075.

Subdivision (e) is derived from §61014 (d) for CSDs.

Subdivision (f) explains when a LAFCO must call an election on the formation of a proposed CSA. This language is derived from §61014 (e) for CSDs. In paragraph (1), if there is a majority voter protest, then the formation proceedings stop. In paragraph (2), if there is no majority protest, then the LAFCO faces three situations:

- No election is needed when the territory is uninhabited (that is, less than 12 registered voters; see the definition in the new §25210.2 [e]), 100% of the landowners consent to the formation (derived from §56663), and no new revenues are needed. The Working Group wanted to keep the possibility of forming a CSA without an election in some circumstances.
- An election is needed on the formation question, even when no new revenues are needed.
- An election is needed to approve the new revenues.

Subdivision (g) is based on the former §25210.13 (a) and derived from §61014 (f) for CSDs.

25211.5. (a) If the local agency formation commission orders the formation of a county service area subject to the approval by the voters pursuant to Section 25211.4 and if the proposed county service area contains no voters, the vote shall be by the owners of land within the proposed county service area.

(b) Each landowner shall have one vote for each acre or portion of an acre of land that the landowner owns within the proposed county service area. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

Topic, Derivation, and Comments: Landowner Election. New and derived from §53326 (b) for Mello-Roos Act Community Facilities Districts.

If the proposed CSA has no registered voters, this section allows the landowners to vote in the formation election. The new §25210.2 (f) defines “landowner.” Although this section is similar to the Mello-Roos Act, note that it isn’t enough that the proposed CSA be legally uninhabited (i.e., less than 12 registered voters; see the new §25210.2 [e]). Under this section, landowners can vote only when there are no registered voters at all.

### Article 3. General Powers

25212. The board shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this chapter, including, but not limited to, the following powers:

(a) To adopt and enforce rules and regulations for the administration, operation, use, and maintenance of the facilities and services authorized by Article 4 (commencing with Section 25213).

(b) To acquire any real or personal property within or outside the county service area, by contract or otherwise; to hold, manage, occupy, dispose of, convey, and encumber that property; and to create a leasehold interest in that property for the benefit of the county service area.

(c) To acquire by eminent domain, pursuant to the Eminent Domain Law, Title 7 (commencing with Section 1230.010) of the Code of Civil Procedure, any real or personal property within or outside the county service area.

(d) To employ persons to provide, or contract with the county for, necessary staff and support services required by a county service area.

(e) To contract for professional services.

(f) To enter into and perform all contracts, including, but not limited to, contracts pursuant to either Article 3.5 (commencing with Section 20120) or Article 3.6 (commencing with Section 20150) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code, as the case may be.

(g) To enter joint powers agreements pursuant to the Joint Exercise of Powers Act, Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(h) To take any and all actions necessary for, or incidental to, the powers expressed or implied by this chapter.

Topic, Derivation, and Comments: General Powers. Derived from §61060 for CSDs.

This section lists CSAs' general powers.

Subdivision (a) is derived from §61060 (b) for CSDs and allows county supervisors to establish rules for using CSAs' services and facilities. However, unlike §61060 (b), this language does not require the board to adopt these rules by ordinance. Because county ordinances apply countywide (or at least unincorporated wide), it's not appropriate for a board of supervisors to adopt ordinances that only apply to portions of a county's unincorporated area.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Subdivision (b) is derived from §61060 (d) for CSDs and allows county supervisors to acquire property for CSAs. The ability to acquire property by contract allows for the use of lease-purchase programs and certificates of participation which are not strictly indebtedness. Also see subdivision (c) for the acquisition of property by eminent domain.

Subdivision (c) is derived from §61060 (e) for CSDs and allows county supervisors to condemn property that CSAs need. However, this language does not include the second sentence of §61060 (e) which requires CSDs to pay for relocating public utilities that they take by eminent domain. That language was in the former CSD Law and so it stayed in the new CSD Law. Because other local governments aren't required to pay for those relocation costs, this language omits the requirement. The Working Group was aware that CSAs sometimes use eminent domain under the 1953 CSA Law, so they agreed that this subdivision was a restatement of the former law and not an expansion of eminent domain powers.

Subdivision (d) is derived from Health & Safety Code §34144 for community development commissions and recognizes that some counties hire employees to work directly for a CSA and not the county government, while other counties have contractual relationships with their CSAs to use county employees to provide the CSA's services.

Subdivision (e) is derived from §61060 (g) for CSDs and allows county supervisors to contract out for professional services.

Subdivision (f) is derived from §61060 (h) for CSDs and allows county supervisors to contract for CSAs. This language contains "billboard" cross-references to two articles in the Public Contract Code that require counties to follow different bidding procedures, depending on their population size. The former §25210.4a (15) requires county officials to follow the Public Contract Code just for roads, streets, highways, and bridges. The Working Group wanted counties to follow their appropriate bidding procedures for all contracts.

Subdivision (g) is derived from §61060 (j) for CSDs and allows county supervisors to sign joint powers agreements for CSAs.

Subdivision (h) is derived from §61060 (n) for CSDs and allows county supervisors to do what needs to be done to make the new CSA Law work. This language should be read together with the new §25210.4 which allows for a liberal construction of the new CSA Law.

25212.1. (a) The board shall act only by ordinance, resolution, or motion.

(b) The minutes of the board shall record the aye and no votes taken by the members of the board for the passage of all ordinances, resolutions, or motions.

(c) The board shall keep a record of all of its actions, including financial transactions.

(d) The board shall retain and may destroy the records of a county service area pursuant to Chapter 13 (commencing with Section 26200).

(e) The board may, by resolution, change the number or the name of a county service area. The resolution shall comply with the requirements of Chapter 23 (commencing with Section 7530) of Division 7 of Title 1. Notwithstanding Section 7530, every county service area shall have the words “county service area” within its name. Within 10 days of its adoption, the clerk of the board of supervisors shall file a copy of the resolution with the Secretary of State, the county clerk, and the local agency formation commission.

Topic, Derivation, and Comments: Basic Powers. Derived from §61045 and §61061 for CSDs.

This section spells out the basic functions that a county board of supervisors has when operating CSAs.

Subdivision (a) is derived from §61045 (b) for CSDs. County supervisors must take formal actions.

Subdivision (b) is derived from §61045 (d) for CSDs. County supervisors’ minutes must record their votes.

Subdivision (c) is derived from §61045 (e) for CSDs. For the retention and destruction of these records, see the new subdivision (d), below.

Subdivision (d) is based on the former §25210.3c which allows a CSA to destroy records using the statute that applies to special districts. However, this language cross-references the statutes that counties use to decide which records they must retain and which records they may destroy (and when).

Subdivision (e) is derived from §61061 (b) for CSDs. This language “billboards” the statute that allows local officials to change their governments’ names. However, similar to the CSD Law, this language requires that a CSA’s name contain a reference to a “county service area.” The same requirement also appears in the new §25211.1 (a)(3).

25212.2. (a) When acquiring, improving, or using any real property, the board shall comply with Article 5 (commencing with Section 53090) of Chapter 1 of Part 1 of Division 2 of Title 5. A county service area shall be deemed to be a “local agency” for the purposes of that article, except that the board shall not render any ordinance inapplicable pursuant to Section 53096.

(b) When acquiring, improving, or using any real property, the board shall comply with Article 7 (commencing with Section 65400) of Chapter 1 of Division 1 of Title 7. A county service area shall be deemed to be a “local agency” and a “special district” for the purposes of that article, except that the board shall not overrule any decision pursuant to either Section 65402 or Section 65403.

(c) When disposing of surplus land, the board shall comply with Article 7 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5. A county service area shall be deemed to be a “local agency” for the purposes of that article.

Topic, Derivation, and Comments: Property Management. New and derived from §61062 for CSDs.

This section reminds county officials that when the board of supervisors is acting as the governing authority of a CSAs that they must act like special districts when acquiring, improving, or disposing of real property, with exceptions.

Subdivision (a) is derived from §61062 (a), except that the county supervisors can’t override zoning ordinances the way that special districts can. Just like a county government, a CSA must comply with the county’s own zoning ordinance.

Subdivision (b) is derived from §61062 (a), except that the county supervisors can’t override general plans the way that special districts can. Just like a county government, a CSA must comply with the county’s own general plan.

Subdivision (c) is derived from §61062 (b).

25212.3. (a) The board may contract with any local agency, state department or agency, federal department or agency, or any tribal government for the provision of any facilities, services, or programs authorized by this chapter, within the county service area.

(b) Subject to compliance with Section 56133, a county service area may provide facilities and services authorized by this chapter outside its boundaries.

Topic, Derivation, and Comments: Contracts.

Subdivision (a) is based on §25210.9d and derived from §61070 for CSDs. Note that this language is broader than the former §25210.9d and the former §25210.71. Also note that this language includes local governments and tribal governments.

Subdivision (b) contains a cross-reference to the provision in the Cortese-Knox-Hertzberg Act that requires a LAFCO's approval before a special district can deliver services outside its established boundaries.

25212.4. (a) The board may appoint one or more advisory committees to give advice to the board of supervisors regarding a county service area's services and facilities.

(b) The board may provide for the appointment, qualifications, terms, procedures, meetings, and ethical conduct of the members of an advisory committee. Any comments by an advisory committee are wholly advisory and it is not the responsibility or within the authority of an advisory committee to make decisions, manage, or direct the delivery of services and facilities.

Topic, Derivation, and Comments: Advisory Committee. New and derived from §61048 for CSDs.

Subdivision (a) allows the county supervisors to appoint advisory committees. Some counties already rely on advisory committees to help county officials decide what services and facilities CSAs should provide and how to pay for them. The 1953 CSA Law is silent on this topic.

Subdivision (b) is derived from San Bernardino County's "Special District Advisory Commissions/Municipal Advisory Council Policies" (SD 1-4; May 2, 1995). The county supervisors may spell out the details for appointments and other requirements.

A 1994 advisory letter from the Fair Political Practice Commission's General Counsel said that members of a CSA's advisory committee are public officials, subject to the disclosure and disqualification requirements of the Political Reform Act, and should be designated in the county's conflict of interest code (Advisory Letter A-94-161 to William C. Katzenstein, Riverside County Counsel, July 7, 1994). The FPPC staff noted that the advisory committee gave advice on the budget and work program to the county staff and not to the county supervisors. In contrast, the Working Group wanted to make it clear that a CSA's advisory committee has no operational powers and its work is "wholly advisory."

#### Article 4. Services and Facilities

25213. A county service area may provide any governmental services and facilities within the county service area which the county is authorized to perform and which the county does not perform to the same extent on a countywide basis, including, but not limited, to services and facilities for any of the following:

- (a) Law enforcement and police protection.
- (b) Fire protection, fire suppression, vegetation management, search and rescue, hazardous material emergency response, and ambulances.
- (c) Recreation, including, but not limited to, parks, parkways, and open space.
- (d) Libraries.
- (e) Television translator stations and low-power television services.
- (f) Supplying water for any beneficial uses.
- (g) The collection, treatment, or disposal of sewage, waste water, recycled water, and storm water.
- (h) The surveillance, prevention, abatement, and control of pests, vectors, and vector-borne diseases.
- (i) The acquisition, construction, improvement, and maintenance, including, but not limited to, street sweeping and snow removal, of public streets, roads, bridges, highways, rights-of-way, easements, and any incidental works.
- (j) The acquisition, construction, improvement, maintenance, and operation of street lighting and landscaping on public property, rights-of-way, and easements.
- (k) The collection, transfer, handling, and disposal of solid waste, including, but not limited to, source reduction, recycling, and composting.
- (l) Funding for land use planning within the county service area by a planning agency established pursuant to Article 1 (commencing with Section 65100) of Chapter 3 of Title 7, including, but not limited to, an area planning commission.
- (m) Soil conservation.
- (n) Animal control.

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(o) Funding for the services of a municipal advisory council established pursuant to Section 31010.

(p) Transportation.

(q) Geologic hazard abatement on public or private property or structures where the board of supervisors determines that it is in the public interest to abate geologic hazards.

(r) Cemeteries.

(s) The conversion of existing overhead electrical and communications facilities, with the consent of the public agency or public utility that owns the facilities, to underground locations pursuant to Chapter 28 (commencing with Section 5896.1) of Part 3 of Division 7 of the Streets and Highways Code.

(t) Emergency medical services.

(u) Airports.

(v) Flood control and drainage.

(w) The acquisition, construction, improvement, maintenance, and operation of community facilities, including, but not limited to, cultural facilities, child care centers, community centers, libraries, museums, and theaters.

(x) Open-space and habitat conservation, including, but not limited to, the acquisition, preservation, maintenance, and operation of land to protect unique, sensitive, threatened, or endangered species, or historical or culturally significant properties. Any setback or buffer requirements to protect open-space or habitat lands shall be owned by a public agency and maintained by the county service area so as not to infringe on the customary husbandry practices of any neighboring commercially productive agricultural, timber, or livestock operations.

(y) The abatement of graffiti.

(z) The abatement of weeds and rubbish.

Topic, Derivation, and Comments: Services and Facilities.

This section authorizes CSAs to provide any services and facilities that a county can provide. The language is based on the former §25210.4 (d) and the former §25210.4a, but without the terms “extended service” or “miscellaneous extended services.” The Working Group agreed to avoid past confusion and controversy by simply not using those terms.

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The qualifying phrase “which the county is authorized to perform” is based on the former §25210.4 (d), but omits the words “by law.” In the 1968 *Byers* decision, the court explained that counties have only the powers granted by the constitution, statute, or implication (*Byers v. Board of Supervisors of San Bernardino County* [1968] 262 Cal.App.2d 148). Some county powers are expressly stated in the statutes, while some are merely implied. Note that the language refers to both “services” and “facilities” while the 1953 CSA Law sometimes (but not always) uses “services” in a way that seems to include “facilities.” This language is direct and clear.

This language also provides an open-ended list of the 26 types of services and facilities that CSAs can provide. The Working Group wanted an illustrative list so that county staff, LAFCOs, property owners, and residents could see the range of services and facilities. The order in which they are listed follows the order in the former §25210.4 and the former §252104a, and as augmented by §61100 for CSDs.

Subdivision (a) is based on the former §25210.4 (a) and the former §25210.40, but also includes “law enforcement” as derived from §61100 (i) for CSDs. An Attorney General’s opinion said that where the sheriff provides extended police protection in a CSA, the sheriff can enforce Vehicle Code misdemeanors or issue parking tickets in the CSA; 38 Ops.Cal.Atty.Gen. 49 (1961). In an indexed letter, the Attorney General explained that a county can set up a county-wide CSA for police services; see IL 73-57 (1973).

Subdivision (b) is based on the former §25210.4 (b), the former §25210.4a (8), the former §2510.50, and the former §25210.5, and is derived from §61100 (d) for CSDs. The Working Group also added “fire suppression” and “vegetation management.” The counties’ statutory authority for providing fire protection is the Shade Tree Law of 1909 (§25620, et seq.) and in particular §25642 and §25643. In an indexed letter, the Attorney General explained that a CSA that was formed to provide fire protection services must provide those services to all public buildings within the CSA; IL 78-106 (1978). While the 1953 CSA Law uses the adjective “structural,” note that this language doesn’t use that limiting modifier. Over the last 55 years, local officials have expanded the role of the fire service. This language reflects the broader range of services and facilities listed in the CSD Law and the Fire Protection District Law. Also see subdivision (t) regarding emergency medical services.

Subdivision (c) is based on the former §25210.4 (c) and the former §25210.60, and derived from §61100 (e) & (f) for CSDs. The counties’ statutory authority for parks and recreation is §25208.5 and §25550, et seq. While the 1953 CSA Law uses the adjective “local,” this language doesn’t use that limiting modifier.

Subdivision (d) is based on the former §25210.4 (e) and the former §25210.78, and §61100 (k) & (s) for CSDs. The counties’ statutory authority for libraries is §26150, et seq., and Education Code §19100, et seq.

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Subdivision (e) is based on the former §25210.4 (f) & (g) and the former §25210.4b. The 1968 *Byers* decision held that the CSA Law didn't authorize television translator stations (*Byers v. Board of Supervisors of San Bernardino County* [1968] 262 Cal.App.2d 148). The Legislature responded in 1969 by adding that power. Note that this language doesn't include the various numerical limitations found in the 1953 CSA Law.

Subdivision (f) is based on the former §25210.4a (1) and derived from §61100 (a) for CSDs. The counties' authority for providing water service is §25690, et seq. The counties' authority for acquiring water rights is §25353. Rather than list the various actions that a CSA might take when providing water service (as in the former §25210.4a [1]), this language takes the approach used in the CSD Law, allowing CSAs to deliver water supplies for "any beneficial uses." The controlling concept is what constitutes a "beneficial use," not the activity itself.

Subdivision (g) is based on the former §25210.4a (2) and derived from §61100 (b) for CSDs. The counties' authority for sewer service is §25701, et seq., and §25825. This language goes beyond the "sewer service" listed in the 1953 CSA Law to include waste water, recycled water, and storm water. Over the last 55 years, local officials have tackled these other categories of dirty water, not just sewage. In an increasing number of communities, the recycling and reclamation of waste water and storm water are important services.

Subdivision (h) is based on the former §25210.4a (3) and derived from §61100 (h) & (y) for CSDs. The counties' authority for vector and pest control is §25842 and §25842.5. Over the last 55 years, local officials have widened the scope of pest control to include vectors and vectorborne diseases. Based on the CSD Law, this language reflects the activities described by the Mosquito Abatement and Vector Control District Law (Health & Safety Code §2000, et seq.). See *Science, Service, and Statutes: A Legislative History of Senate Bill 1588 and the "Mosquito Abatement and Vector Control District Law,"* Senate Local Government Committee (September 2003).

Subdivision (i) is based on the former §25210.4a (4), (5), & (15) and derived from §61100 (l) & (w) for CSDs. The counties' authority over county highways is Streets & Highways Code §940, et seq.

- A 1953 Attorney General's opinion declared that road construction and maintenance are among the "miscellaneous extended services" that CSAs can provide (22 Ops.Cal.Atty. Gen. 17 [1953]).
- A 1965 Attorney General's opinion declared that funds raised by CSAs for maintaining roads aren't restricted to county roads, but can be also used on public roads that aren't part of the county road system (45 Ops.Cal.Atty.Gen. 423 [1965]). Note that this language includes the "public" qualifier, thereby incorporating the Attorney General's opinion.
- A 1982 Attorney General's opinion which held that CSAs can provide snow removal services on public roads also said, "[A]though snow removal may not be considered precisely the same as street sweeping, it is clearly the same general type of service" (65 Ops.Cal.Atty.Gen. 176 [1982]). Note that this language incorporates the Attorney General's opinion.

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- The 1975 *Erven* decision found that road improvement and maintenance are “miscellaneous extended services” (*Erven v. Riverside County Board of Supervisors* [1975] 53 Cal.App.3d 1004). The Legislature codified the *Erven* finding (SB 1664, Marks, 1984). The Working Group wanted all of these related services to appear in one subdivision.

Subdivision (j) is based on the former §25210.4a (5) and derived from §61100 (g) for CSDs. This language follows the CSD Law approach and is less wordy than the 1953 CSA Law. Note the use of the word “public” as a qualifying adjective.

Subdivision (k) is based on the former §25210.4a (6) & (7) and derived from §61100 (c) for CSDs. The counties’ authority for solid waste collection and disposal is §25820, et seq. This language sidesteps around whatever distinction there may have been in the 1953 CSA Law between “refuse” and “garbage” in favor of the broader and more modern term “solid waste.” Over the last 55 years, local officials have widened the scope of their solid waste services and facilities to encompass source reduction, reuse, and recycling and not just collection and disposal.

Subdivision (l) is based on the former §25210.4a (9) and derived from §61100 (ac) for CSDs. The Planning and Zoning Law establishes a “planning agency” in each county and city. The county board of supervisors can delegate the planning agency’s duties to the planning commission, planning department, or hearing officers, or it can keep those duties for itself (§65100). Some counties have created “area planning commissions” (APCs). An APC serves as the county planning commission for the designated geographic area and is responsible for land use planning and development decisions: general plans, specific plans, zoning, variances, subdivisions, and use permits. Just like a county planning commission, an APC’s decisions can be appealed to the board of supervisors.

- A 1971 Attorney General’s indexed letter opinion concluded that CSAs can’t be used to pay for county planning departments (IL 71-205).
- In 1972, AB 2029 (Ray Johnson, 1972; Chapter 1169, Statutes of 1972) added planning to the list of a CSA’s “miscellaneous extended services” as the former §25210.4a (9).
- A 1974 Attorney General’s opinion confirmed that CSAs can’t be used to pay for county planning commissions, but they can pay for area planning commissions (57 Ops.Cal.Atty. Gen. 423 [1974]).

By letting a CSA pay for an APC, both the 1953 CSA Law and this language in the new CSA Law allow local residents and county supervisors to create a “County Town” that weaves together a CSA (for services and facilities), an APC (for land use review), and a municipal advisory council (or “MAC,” see §31010) (for political identity). A “County Town” could be an intermediate step towards cityhood, or it could be locally-satisfactory substitute for incorporation.

Subdivision (m) is based on the former §25210.4a (10). This language omits “drainage control” which was part of the early soil conservation efforts. See subdivision (v), relating to flood control and drainage.

Subdivision (n) is based on the former §25210.4a (11) and derived from §61100 (x) for CSDs. The counties’ authority to regulate animals comes from §25800, et seq. In addition, the

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authority for counties to regulate dogs comes from Food & Agriculture Code §30501, et seq. Their authority to regulate cats comes from Food & Agriculture Code §31750, et seq. There are also other requirements relating to animal regulation in Food & Agriculture Code §32000, et seq.

Subdivision (o) is based on the former §25210.4a (12) and derived from §61100 (ad) for CSDs. A board of supervisors can create a “municipal advisory council” (MAC) to advise the county supervisors on any topic affected the designated area (§31010; added by SB1116, Ayala, 1978; Chapter 41, Statutes of 1978). The county supervisors can appoint residents to the MAC or they can require the MAC members to be directly elected. Although the MAC provides advice, the county supervisors still make the final decisions. By letting a CSA pay for a MAC, this language allows local residents and county supervisors to create a “County Town” that weaves together a CSA (for services and facilities), an Area Planning Commission (for land use review, see §65100 [c] and the new subdivision [l], above), and a MAC (for political identity). A “County Town” could be an intermediate step towards cityhood, or it could be locally-satisfactory substitute for incorporation.

Subdivision (p) is based on the former §25210.4a (13). The counties’ authority for transportation services and facilities comes from §26000, et seq.

Subdivision (q) is based on the former §25210.4a (14). Counties can form geologic hazard abatement districts (Public Resources Code §26500, et seq.). The 1953 CSA Law defines “geologic hazard” and that definition appears in the new §25210.2 (d).

Subdivision (r) is based on the former §25210.4a (16). The statutory authority for county boards of supervisors to control public cemeteries is Health & Safety Code §8125, et seq. Those statutory provisions are less detailed than the more extensive Public Cemetery District Law (Health & Safety Code §9000, et seq.). Further, the Public Cemetery District Law restricts who can be buried in the districts’ cemeteries. In 2003, the Legislature gave CSAs the same power to provide internment services that public cemetery districts have (SB 341, Senate Local Government Committee, 2003). See *For Years To Come: A Legislative History of Senate Bill 341 and the “Public Cemetery District Law,”* Senate Local Government Committee (August 2004). The Working Group recommended that new CSA Law omit the cross-reference to the Public Cemetery District Law.

Subdivision (s) is new and derived from §61100 (m) for CSDs. The counties’ authority to underground utilities comes from §26230. A chapter of the larger 1911 Act allows public agencies to finance the undergrounding of utilities with benefit assessments. A county is a “public agency” for this purpose (Streets & Highways Code §5896.2).

Subdivision (t) is new and derived from §61100 (n) for CSDs. The counties’ authority to provide emergency medical services comes from the Emergency Medical Services System and Prehospital Emergency Medical Care Personnel Act (Health & Safety Code §1797, et seq.).

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Subdivision (u) is new and derived from §61100 (o) for CSDs. The counties' statutory authority to own and operate airports comes from two sources: §26020, et seq. and §50470, et seq.

Subdivision (v) is new, but based on the former §25210.4d and derived from §61100 (r) for CSDs. The counties' statutory authority for flood control comes from §25680, et seq. Added in 1974, the former §25210.4d allowed San Bernardino County to use a CSA to provide flood protection. San Bernardino County officials attempted to use that section in about 1980, but they didn't set up a flood control CSA. The Working Group agreed to delete the separate authorization for San Bernardino County, but add flood control to the open-ended illustrative list because all counties already have the power to provide flood control services and facilities under §25860, et seq.

Subdivision (w) is based on the former §25210.78 and derived from §61100 (s) for CSDs. The counties' statutory authority to own and operate these facilities comes from §25350, et seq., and particularly from §25351 and §25351.3.

Subdivision (x) is new, but based on the former §25210.4g and derived from §61100 (ae) for CSDs. The former §25210.4g allowed San Bernardino County to use a CSA to provide open space and habitat conservation, provided that the CSA is responsible for any buffer zones. Although prompted by the "Spirit of the Sage" challenge, this section has not yet been used by San Bernardino County officials. The Working Group agreed to delete the separate authorization for San Bernardino County, but add open-space and habitat conservation to the open-ended list illustrative list because other counties may want to use CSAs to conserve special lands. The California Farm Bureau Federation asked to keep subdivision (c) of the former §25210.4g and the second sentence of this language retains that concept, with editing.

Subdivision (y) is new, but derived from §61100 (q) for CSDs. The statutory authority for counties to abate graffiti comes from §38772 and Code of Civil Procedure §731.

Subdivision (z) is new, but derived from §61100 (t) for CSDs. The statutory authority for counties to abate weeds comes from Health & Safety Code §14890, et seq.

25213.1. In the County of Lassen, a county service area may be formed to purchase electrical energy generated within the boundaries of the county, and the board may enter into contracts for the sale of that energy at wholesale rates to any public agency or public utility engaged in the sale or use of electrical energy.

Topic, Derivation, and Comments: Lassen County CSA for Wholesale Electricity. Based on §25210.4e.

Wanting to be more energy self-sufficient, Lassen County asked for and received this special authority in 1984. Although the Lassen County Board of Supervisors never created a CSA for wholesale electricity, it wanted to keep this language in the new CSA Law.

25213.2. (a) In the County of Napa, a county service area may be formed for the sole purpose of acquiring, constructing, leasing, or maintaining, or any combination thereof, farmworker housing. Notwithstanding any other provision of this article, only a county service area formed under this section in the County of Napa may exercise this specific authority.

(b) The Board of Supervisors of the County of Napa may, following the procedures of Article 4.6 (commencing with Section 53750) of Chapter 4 of Part 1 of Division 2 of Title 5, levy an annual assessment not to exceed ten dollars (\$10) per planted vineyard acre for the purposes of the county service area formed under this section. An annual assessment levied pursuant to this section may remain in effect for a period not exceeding five years. However, an annual assessment levied pursuant to this section may be reauthorized for additional five-year periods pursuant to that Article 4.6.

(c) No assessment shall be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

(d) The board may allocate the proceeds of the annual assessment, as it deems appropriate, for any or all of the following purposes:

- (1) Acquiring farmworker housing.
- (2) Building farmworker housing.
- (3) Leasing farmworker housing.
- (4) Providing maintenance or operations for farmworker housing owned or leased by the Napa Valley Housing Authority or another public agency whose principal purpose is to develop or facilitate the development of farmworker housing in the County of Napa.

(e) The board shall appoint an advisory committee that includes, but is not limited to, farmworkers and planted vineyard land owners or agents to advise and counsel the board on the allocation of the proceeds of the annual assessment.

(f) In ascertaining parcels to be included in this county service area, the board shall use data gathered by the Napa County Flood Control and Water Conservation District.

(g) Vineyard property owners who present proof to the board that they are providing housing for their own workers shall be exempt from the assessment. The board and the advisory committee shall audit the programs receiving the proceeds of the allocation every two years and make recommendations for changes.

Topic, Derivation, and Comments: Napa County's CSA for Farmworker Housing. Based on §25210.4h.

This language allows Napa County to form a CSA to finance and operate farmworker housing, using benefit assessment revenues charged against vineyard acreage. Napa County's effort has been successful and local officials and landowners want to keep the authority intact.

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The Working Group agreed to retain this language, but did not recommend making this authority available to all counties at this time. They thought that Napa County's situation was unusual enough to keep the authority limited to just one county. However, there was no objection to expanding this authorization to other counties if local circumstances warrant future legislation.

Subdivision (a) is based on the former §25210.4h (a), but omits the references to "miscellaneous extended services" and two statutory cross-references because the new CSA Law doesn't use those distinctions.

This language omits the former §25210.4h (b) relating to noncontiguous properties because that provision is moot in light of the new §25210.7 which allows any CSA to have noncontiguous territories.

Subdivision (b) is based on the former §25210.4h (c), but omits the detailed explanation of how to count assessment ballots because that provision would have been redundant given the cross-reference to §53750, et seq.

Subdivision (c) is based on the former §25210.4h (d).

Subdivision (d) is based on the former §25210.4h (e).

Subdivision (e) is based on the former §25210.4h (f).

Subdivision (f) is based on the former §25210.4h (g).

Subdivision (g) is based on the former §25210.4h (h).

25213.3. In the County of Orange, a county service area that is the successor to a dissolved harbor improvement district may exercise the powers of a harbor improvement district pursuant to Part 2 (commencing with Section 5800) of Division 8 of the Harbors and Navigation Code.

Topic, Derivation, and Comments: Orange County's Former Harbor District. Based on §25210.4f.

This language preserves the essence of the 1987 legislation that allowed Orange County to create a countywide CSA with the same powers as its dependent Orange County Harbor, Beaches and Parks District (SB 1147, Bergeson, 1987). Working with the Orange County LAFCO, county officials dissolved their dependent district and converted it into a CSA. Although state law allows counties to provide harbor facilities (Harbors & Navigation Code §4000, et seq.), Orange County officials want to retain the specific reference to the statutory powers of a harbor improvement district.

The 1987 legislation also permitted Orange County to create a countywide CSA with the same powers as the Orange County Flood Control District. However, instead of forming a CSA for flood control, county officials converted the Flood Control District into a county department. Therefore, this language omits the flood control provision of the former §25210.4f.

25213.4. (a) In the County of San Bernardino, a county service area in whose territory all or any portion of the redevelopment project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code is located may locate, construct, and maintain facilities and infrastructure for sewer and water pipelines or other facilities for sewer transmission and water supply or distribution systems along and across any street or public highway and on any lands that are now or hereafter owned by the state, for the purpose of providing facilities or services related to development, as defined in subdivision (e) of Section 56426, to or in that portion of the redevelopment project area that, as of January 1, 2000, meets all of the following requirements:

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

(b) The facilities or services related to development may be provided by the county service area to all or any portion of the area defined in paragraphs (1) to (4), inclusive, of subdivision (a). Notwithstanding any other provision of this code, building ordinances, zoning ordinances, and any other local ordinances, rules, and regulations of a city or other political subdivision of the state shall not apply to the location, construction, or maintenance of facilities or services related to development pursuant to this section.

Topic, Derivation, and Comments: Redlands' "Doughnut Hole." Based on §25210.70a.

Retaining the policy set by AB 1544 (Granlund, 2000) and the former §25210.70a, this section makes it clear that San Bernardino County's CSA #70 can serve the so-called "doughnut hole" surrounded by the City of Redlands. Subdivision (a) allows the CSA to build and maintain sewer and water lines across public roads. Subdivision (b) exempts the CSA's facilities or services from any city development regulations.

The "doughnut hole" is an unincorporated island of about 1,000 acres that is completely surrounded by the City of Redlands, but outside the City's sphere of influence. The doughnut hole is also inside CSA #70 which has the power to provide nearly any public service --- including water and sewer --- throughout the unincorporated parts of San Bernardino County.

Frustrated by its land use disputes with Redlands, the developer of a proposed mall inside the doughnut-hole sponsored the 2000 Granlund bill, making it easier to develop under the County's land use control.

25213.5. (a) If the board desires to exercise a latent power, the board shall first receive the approval of the local agency formation commission, pursuant to Article 1 (commencing with Section 56824.10) of Chapter 5 of Part 3 of Division 3.

(b) Notwithstanding subdivision (a) of Section 56284.14, the local agency formation commission shall not, after a public hearing called and held for the purpose pursuant to subdivisions (b) and (c) of Section 56284.14, approve a county service area's proposal to exercise a latent power if the local agency formation commission determines that another local agency already provides substantially similar services or facilities to the territory where the county service area proposes to exercise that latent power.

(c) After receiving the approval of the local agency formation commission, the county service area may exercise that latent power. Within 30 days of the adoption of that resolution, the clerk of the board shall mail a copy of the resolution to the local agency formation commission.

Topic, Derivation, and Comments: Latent Powers. Based on §25210.30 - §25210.38, and derived from §61106 for CSDs.

This section spells out the procedures that the county supervisors must follow if they want a CSA to provide a new service or facility.

Subdivision (a) effectively grandfathers the services and facilities that CSAs were authorized to provide when they were formed or later were authorized provide under the procedures of the 1953 CSA Law. Everything else becomes a "latent power" that requires the LAFCO's approval before activation. The new §25210.2 (g) defines "latent power."

Note, however, that unlike the CSD Law which focuses on the services and facilities that a CSD did not *provide* by a specified date, the definition in the new §25210.2 (g) focuses on the services and facilities that a CSA was not *authorized* to provide before January 1, 2009. That's the effective date of SB 1458 and the new CSA Law.

As a practical matter, LAFCO staffs and county officials should cooperate in researching each CSA's origins to document its authorized services and facilities. For CSAs formed in the recent past, this research may be as simple as reviewing the LAFCO executive officer's report on the proposed formation (§56665) and the commission's resolution of approval (§56880). For older CSAs formed before LAFCOs had a formal procedural role, public officials may need to scour government archives to locate reliable information such as a resolution declaring the formation of a CSA or a record of an action to expand a CSA's authorized services. By explicitly cross-referencing §56425, this language directs public officials to LAFCO's determination of a sphere of influence for each CSA before January 1, 2009. That reference in turn leads to the information that LAFCO collected during the preparation of its municipal service reviews (§56430).

[THE COMMENTARY CONTINUES ON THE NEXT PAGE]

Also note that as amended by AB 2484 (Caballero, 2008), §56824.14 (a) now prohibits a LAFCO from approving a special district's proposal to provide new services unless the LAFCO determines that the district has sufficient revenues to carry out the proposal. The LAFCO can condition its approval on the concurrent approval of new revenues (e.g., special taxes, benefit assessments, fees, and charges).

Subdivision (b) avoids overlapping services by prohibiting a LAFCO from approving a CSA's latent power request if another local already provides substantially the same service.

Subdivision (c) allows the county supervisors to begin providing the new service or facility. The 1953 CSA Law required the county supervisors to stop proceedings to add a latent power if there was a majority protest from either the CSA's registered voters or landowners.

25213.6. (a) If a board desires to divest a county service area of the authority to provide a service or facility, the board shall adopt a resolution of intention. The resolution of intention shall:

- (1) State the number or name of the county service area.
- (2) Generally describe the territory within the county service area.
- (3) Specify the services and facilities that the board proposes to terminate.
- (4) Identify the public agency, if any, that would be required to provide a new or higher level of services and facilities if the board divests the power to provide those services and facilities.
- (5) Fix the date, time, and place for a hearing on the question of divesting the power to provide those services and facilities. The hearing date shall be not less than 30 days nor more than 60 days from the adoption of the resolution of intention.

(b) The clerk of the board of supervisors shall give notice of the hearing pursuant to Section 6061. The clerk of the board shall also mail the notice of the hearing at least 15 days before the hearing to the local agency formation commission and any public agency that would be required to provide a new or higher level of services and facilities.

(c) At the hearing, the board shall consider all written and oral testimony. At the conclusion of the hearing, the board shall take one of the following actions:

- (1) Adopt a resolution to abandon the proceedings.
- (2) If the proposed divestiture would not require another public agency other than the county to provide a new or higher level of services or facilities, the board may adopt a resolution that divests the county service area of the power to provide those services or facilities.
- (3) If the proposed divestiture would require another public agency to provide a new or higher level of services or facilities, the board shall first seek the approval of the local agency formation commission. To the extent feasible, the local agency formation commission shall proceed pursuant to Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of Division 3. After receiving the approval of the local agency formation commission, the board may adopt a resolution that divests the county service area of the power to provide those services or facilities.

(d) If the board adopts a resolution that divests a county service area of the power to provide a service or facility, the clerk of the board of supervisors shall mail a copy of that resolution to the local agency formation commission within 30 days of the date of adoption of the resolution.

Topic, Derivation, and Comments: Divestiture of Power. Based on §25210.39 - §25210.39c, and derived from §61107 for CSDs.

This language spells out the procedures that the county supervisors use to stop a CSA from providing a service or facility.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Subdivision (a) is based on the former §25210.39 & the former §25210.39a. However, unlike the 1953 CSA Act, this language requires the board to think about which public agencies would be affected if a CSA stops providing services or facilities. This consideration shows up in the rest of the subdivisions.

Subdivision (b) is based on the former §25210.39b.

Subdivision (c) is based on the former §25210.39c and §61107 (b) & (c). This language gives county supervisors three choices. First, they can just stop the proceedings. Second, if the divestiture doesn't burden another public agency (not just another local government), the county supervisors can order the divestiture. Third, however, if stopping a CSA's services or facilities will shift those burdens to another public agency, then this language requires the LAFCO's approval. For example, if a CSA provides fire protection and the county board of supervisors wants to get its CSA out of the fire protection business, it's possible that divestiture will increase the workload of the United States Forest Service or the California Department of Forestry and Fire Protection (CAL FIRE). Note that the LAFCO's approval is needed only in this third situation.

Subdivision (d) is new. This language allows the LAFCO to keep track of CSAs' authorized services and facilities.

### **Article 5. Finance**

25214. (a) The board shall adopt an annual budget pursuant to Chapter 1 (commencing with Section 29000) of Division 3.

(b) A county service area shall be deemed to be a “special district whose affairs and finances are under the supervision and control of the board” within the meaning of Section 29002.

(c) The board shall provide for regular audits of the county service area’s accounts and records pursuant to Section 26909.

(d) The board shall provide for the annual financial reports to the Controller pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5.

Topic, Derivation, and Comments: Fiscal Decisions. New and derived from §61118 for CSDs.

This language replaces several repetitious sections in the 1953 CSA Law that described how county supervisors adopt annual budgets for their CSAs. For example, the former §25210.40 through §2510.47 explained how county supervisors adopt budgets for CSAs that provide police protection. Nearly identical provisions appeared in the separate articles for fire protection, parks and recreation, miscellaneous extended services, and libraries. The Working Group agreed to replace those separate articles with a standard method for preparing, adopting, and administering CSAs’ annual budgets.

Subdivision (a) is based on the former §25210.41, the former §25210.51, the former §25210.61, the former §25210.72, and the former §25210.78. This language cross-references the statutes that boards of supervisors annually follow to prepare, adopt, and administer county budgets. County department budget estimates are due by June 10 (§29040), approved tabulations by June 30 (§29062), the proposed budget by August 10 (§29065), and final budgets by August 20 or September 18 (§29080).

Subdivision (b) specifically refers to §29002 which declares that the county budgeting statutes already apply to special districts that the county supervisors control. This language is another example of how the new CSA Law treats CSAs as special districts for specific purposes.

Subdivision (c) requires regular audits, treating CSAs just like other special districts. The March 24 amendments added this subdivision which is derived from §61118 (a) for CSDs.

Subdivision (d) requires financial reports, treating CSAs just like other special districts. The March 24 amendments added this subdivision which is derived from §61118 (b) for CSDs.

25214.1. (a) On or before July 1 of each year, the board shall adopt a resolution establishing the appropriations limit, if any, for each county service area and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution and Division 9 (commencing with Section 7900) of Title 1.

(b) Notwithstanding any other provision of this section or Division 9 (commencing with Section 7900) of Title 1, a board of supervisors may include the proceeds of taxes for all county service areas within the county's own appropriations limit.

(c) Pursuant to subdivision (c) of Section 9 of Article XIII B of the California Constitution, this section shall not apply to any of the following:

(1) A county service area which existed on January 1, 1978, and which did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of twelve and one-half cents (\$.125) per one hundred dollars (\$100) of assessed value.

(2) A county service area which existed on January 1, 1978, or was thereafter created by a vote of the people, and which is totally funded by other than the proceeds of taxes.

(d) This section shall not apply to any county service area that has previously transferred services and all of the property tax revenue allocation associated with those services to another local agency.

Topic, Derivation, and Comments: Annual Appropriations Limit. New and derived from §61113 for CSDs.

In 1979, the voters amended the California Constitution by passing Proposition 4 (the Gann Initiative), requiring each local government to set an annual appropriations limit (the "Gann Limit"). The 1953 CSA Law is silent on this constitutional requirement.

Some counties already calculate and set separate Gann limits for their CSAs while other counties include their CSAs' proceeds of taxes within the county government's overall Gann limit. The statutes that implement these provisions of the Gann Initiative do not mention CSAs, but the definitions of "local agency" and "local jurisdiction" don't exclude CSAs (§7901 [e] & [g]). Therefore, this language is another example of how the new CSA Law treats CSAs as special districts for specific purposes.

Subdivision (a) is derived from §61113 (a) for CSDs.

Subdivision (b) is new and allows the county supervisors to count their CSAs' revenues within the county government's own appropriations limit. This language accommodates the practice that some counties follow without violating the spirit of the Gann Initiative. All local revenue must be accounted for somewhere.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Subdivision (c) is derived from §61113 (b) for CSDs. The Gann Initiative exempts special districts if they meet specific criteria; see Article XIII B, §9 (c). Paragraph (1) describes CSAs that had no or low property tax rates before Proposition 13 (just like §61113 [b]). Paragraph (2) describes CSAs that don't have any "proceeds of taxes."

Subdivision (d) is derived from §61113 (c) which the CSD Law included to accommodate the Dublin San Ramon Services District. The Working Group wanted this language because it might apply to some CSAs.

25214.2. (a) The board may accept any revenue, money, grants, goods, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the county service area.

(b) In addition to any other existing authority, the board may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5.

Topic, Derivation, and Comments: Contributions and Borrowing. Based on §25210.10b and derived from §61116 for CSDs.

This language explains that county supervisors can accept help for their CSAs, and that they can borrow money for their CSAs.

Subdivision (a) allows the county supervisors to accept any kind of help from public agencies or private sources. This language is broader than the former §25210.10b, and derived from §61116 for CSDs.

Subdivision (b) allows the county supervisors to engage in short-term borrowing by referring to the standard statutes that apply to all local governments. These “billboard” provisions include a variety of tax, revenue, and grant anticipation notes. This language is derived from §61116 for CSDs.

25214.3. The board of supervisors may authorize expenditures from the county's general fund on behalf of a county service area and shall repay the county general fund from the funds of the county service area in the same fiscal year.

Topic, Derivation, and Comments: County Spending. Based on §25210.46, §25210.56, §25210.67, §25210.77, and §25210.78g

This language allows county supervisors to spend county general funds to pay for a CSA's expenses as long as the CSA repays the general fund later that fiscal year.

The former §25210.46 which allowed county supervisors to transfer county funds to pay for a CSA's police protection services and then reimburse the "county salary fund" relied on obsolete language. The 1953 CSA Law also contained similar provisions for structure fire protection services (the former §25210.56), park and recreation facilities and services (the former §25210.67), miscellaneous extended services (the former §25210.77), and library facilities and services (the former §25210.78g). The Working Group wanted the new CSA Law to provide a broad authorization that wasn't restricted to specific types of services.

While spending county general funds on a CSA is clearly discretionary, repaying the county general fund is mandatory. Note, however, that this language does not require the county supervisors to charge interest to the CSA.

25214.4. (a) The board of supervisors may loan any available funds of the county to a county service area to pay for any lawful expenses of the county service area. The loan shall be repaid within the same fiscal year in which the board loaned the funds at a rate of interest, if any, that the board of supervisors shall determine, provided that the interest rate shall not exceed the rate of interest that the county earns on its temporarily idle funds.

(b) Notwithstanding subdivision (a), the board of supervisors may extend, by a four-fifths vote, the repayment of a loan for a period that does not exceed three years from the end of the fiscal year in which the loan was made.

(c) Notwithstanding subdivision (a), if the board of supervisors finds that the repayment of the loan may result in an economic or fiscal hardship to the property owners or residents of the county service area, the board of supervisors may, by a four-fifths vote, waive the repayment in whole or in part.

Topic, Derivation, and Comments: County Loans. Based on §25210.9a and §25210.9b.

This language allows the county supervisors to loan money to their CSAs. The Working Group agreed to combine two former sections of the 1953 CSA Law into one section, clarifying that the transfer of funds must be a loan, but leaving the interest rate (if any) up to the county supervisors. The interest rate can't exceed the rate that the county would have earned on its temporarily idle funds. That way, the county can't profit by loaning money to CSAs and the county doesn't subsidize the CSA. Note that getting a loan under subdivision (a) isn't very different from getting an advance under the new §25214.3.

Subdivision (a) requires that the loan must be repaid in the same fiscal year (as in the former §25210.9a), but subdivision (b) allows the county supervisor to extend the loan for up to three years on a 4/5-vote (as in the former §25210.9b).

Subdivision (c) is new, allowing the county supervisors to forgive a CSA's loan. Like subdivision (b), this language requires a 4/5-vote, plus it requires the county supervisors to make findings.

Note that subdivision (c) is an exception only to subdivision (a) which provides for loans within the same fiscal year and is not an exception to subdivision (b) which allows for three-year loans. Therefore, if the county supervisors make a loan under subdivision (a) and then convert that same-year loan into a three-year loan under subdivision (c), they can't use subdivision (c) to forgive the three-year loan. However, if the county supervisors converted a same-year loan into a three-year loan and the CSA was having a hard time repaying the loan, then the county supervisors could use subdivision (a) to make a new, same-year loan to the CSA which would repay the earlier three-year loan. Then the county supervisors could use subdivision (c) to forgive the new same-year loan.

25214.5. (a) The board of supervisors may appropriate up to two million dollars (\$2,000,000) from any available funds of the county to a revolving fund to be used by county service areas for the acquisition or improvement of real or personal property, environmental studies, fiscal analyses, engineering services, supplies, or any other lawful expenses. The revolving fund shall be reimbursed within 10 years from the date of the disbursement at a rate of interest, if any, that the board of supervisors shall determine, provided that the interest rate shall not exceed the rate of interest that the county earns on its temporarily idle funds.

(b) Notwithstanding subdivision (a), if the board of supervisors finds that the reimbursement of the revolving fund may result in an economic or fiscal hardship to the property owners or residents of the county service area, the board of supervisors may, by a four-fifths vote, waive the reimbursement in whole or in part.

Topic, Derivation, and Comments: Revolving Funds. Based on §25210.9c.

This language allows the county supervisors to set up a \$2 million revolving fund for their CSAs' expenses. The Working Group agreed to expand the former CSA Law and allow any board of supervisors to waive the reimbursement (not just Santa Barbara and Tulare Counties as in the former §25210.9c). Note that getting a 10-year loan from a revolving fund (and getting it forgiven) isn't very different from getting a three-year loan under the new §25214.4

Note that subdivision (b) requires the county supervisors to make a finding of hardship, a condition that is not in the former §25210.9c (b).

## **Article 6. Revenues**

25215. Whenever the board determines that the amount of revenue available to a county service area or any of its zones is inadequate to meet the costs of operating and maintaining the services and facilities that the county service area provides, the board may raise revenues pursuant to this article or any other provision of law.

Topic, Derivation, and Comments: Revenue Authority. New and derived from §61120 for CSDs.

This section introduces the article that lists the revenue sources that the county supervisors can use to finance their CSAs' operations. Article 7 lists their capital financing sources.

25215.1. The auditor shall allocate to each county service area its share of property tax revenue, if any, pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

Topic, Derivation, and Comments: Property Tax Allocation. New and derived from §61114 for CSDs.

In 1978, the voters passed Proposition 13 and constitutionally removed the ability of local agencies to set their own property tax rates. The 1% maximum property tax rate is fixed by Article XIII A, §1 (a) of the California Constitution. The Legislature adopted implementation statutes (“AB 8”) that tell county auditor-controllers how to allocate the resulting revenues. The 1953 CSA Law didn’t refer to those procedures. The 1953 CSA Law told county supervisors how to set the annual property tax rates (see, for example, the former §25210.44 and the former §25210.45 for police protection services).

The Working Group agreed to get rid of these obsolete provisions. Therefore, this “billboard” language cross-references the standard property tax allocation statutes, replacing the obsolete property tax rate provisions of the 1953 CSA Law.

25215.2. The board may levy special taxes pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5. The special taxes shall be applied uniformly to all taxpayers or all real property within the county service area, except that unimproved property may be taxed at a lower rate than improved property.

Topic, Derivation, and Comments: Special taxes. Based on §25210.6a, §25210.7, and §25210.59, and derived from §61121 (a) for CSDs.

This section allows the county supervisors use special taxes to finance their CSAs' operations.

Although Proposition 13 capped ad valorem property tax rates at 1%, it allowed special taxes with 2/3-voter approval. The Legislature responded by creating procedures for levying special taxes by enacting §50075, et seq. (SB 785, Foran, 1979). Proposition 62 (1986), a statutory initiative, declared that neither Proposition 13 nor the 1979 Foran bill, by themselves, allow local agencies to impose special taxes (§53727). The Legislature responded by giving many local agencies the explicit authority to levy special taxes, including schools (AB 1440, Hannigan, 1987), library districts (AB 4290, Bronzan, 1988), and hospital districts (AB 3696, Hauser, 1988). Following that trend, AB 330 (Eaves, 1989) gave CSAs the statutory authority to levy special taxes by enacting the former §25210.6a.

Some of the statutes that allow local agencies to levy special taxes give local officials the ability to tax unimproved property at a lower rate than improved property. Like §61121 (a) for CSDs, this language allows the county supervisors to levy lower special tax rates on unimproved property.

25215.3. The board may levy benefit assessments for operations and maintenance consistent with the requirements of Article XIII D of the California Constitution, including, but not limited to, benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(b) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(c) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(d) The Landscaping and Lighting Assessment Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code, notwithstanding Section 22501 of the Streets and Highways Code).

(e) Any other statutory authorization enacted on or after January 1, 2009.

Topic, Derivation, and Comments: Benefit Assessments for Operations and Maintenance. Based on §25210.8 and derived from §61122 for CSDs.

This section names the benefit assessment statutes that the county supervisors can use to finance their CSAs' operations, unlike the 1953 CSA Law which offers only a general reference to "benefit assessments." This section acts as a "billboard" to remind county officials which statutes they can use to levy benefit assessments for operations and maintenance, provided that they follow the procedures required by Proposition 218 (1996) and now built into the assessment statutes.

Subdivision (d) contains an interesting "notwithstanding" clause. Streets & Highways Code §22501 limits the use of the 1972 Act to local agencies that are already on the property tax roll. But some CSAs may not get a share of the property tax revenues and, therefore, couldn't qualify to use the 1972 Act. This language allows them to use the 1972 Act even if they don't get a share of the property tax revenues.

Also see the new §25216.3 which allows the county supervisors to use benefit assessments to finance their CSAs' facilities.

25215.4. The board may, by resolution or ordinance, do any of the following:

(a) Establish user fees, rates, or other charges, provided that they are not property-related fees and charges, for the services and facilities that are not property related that the county service area provides.

(b) Provide for the collection and enforcement of those user fees, rates, and other charges in the same manner that the county collects and enforces user fees, rates, and charges for the services and facilities that the county provides.

Topic, Derivation, and Comments: Non-Property Related User Fees, Rates, and Charges. Based on §25210.8, §25210.59, §25210.66a, §25210.77a, §25210.77e, and §25210.77f, and derived from §61115 for CSDs.

The Gann Initiative explains that as long as user charges and user fees don't exceed the reasonable costs of providing the products or services for which they are charged, they are not "proceeds of taxes." The obvious corollary is that if user charges or user fees exceed those reasonable costs, then they are taxes, which are subject to voter review and approval. See California Constitution Article XIII B, §8 (c).

By separating the non-property related user fees and charges in this section from the property-related fees and charges in the new §25215.5, this language avoids the past controversies over CSAs' fees and charges.

Subdivision (a) is similar to §61115 (a)(1) for CSDs. The 1953 CSA Law allowed CSAs to impose "service charges." Note the qualifying clause in this subdivision that says these fees and charges can't be property-related fees and charges.

Subdivision (b) is new and allows county supervisors to collect any unpaid fees, rates, and charges the same way that they collect unpaid fees, rates, and charges for other county services.

25215.5. The board may, by resolution or ordinance, do any of the following:

(a) Impose property-related fees and charges for the property-related services that the county service area provides, subject to the requirements of Article XIII D of the California Constitution. If new, increased, or extended property-related fees and charges are proposed, the board shall comply with Section 53753.

(b) Provide for the collection and enforcement of those property-related fees and charges in the same manner that the county collects and enforces property-related fees and charges for the property-related services that the county provides, including, but not limited to Article 4 (commencing with Section 5470) of Chapter 6 of Part 3 of Division 5 of the Health and Safety Code.

Topic, Derivation, and Comments: Property-Related Fees and Charges. New and based on §26210.66a, §25210.77a, §25210.77e, and §25210.77f, and derived from §61115 for CSDs.

Proposition 218 (1996) distinguished property-related fees and charges from other fees and user charges (California Constitution Article XIII D, §6). Likewise, the new CSA Law deals with the different types of fee in different sections. By separating the property-related fees and charges in this section from the non-property related user fees and user charges in the new §25215.4, this language sorts out the past controversies over CSAs' fees and charges.

Subdivision (a) is similar to §61115 (a)(1) for CSDs. The May 23 amendments to SB 1458 added the second sentence which the June 2 amendments modified further.

Subdivision (b) is new and allows county supervisors to collect any unpaid property-related fees, rates, and charges the same way that they collect unpaid fees, rates, and charges for other county services. Note the cross-reference to the existing Health & Safety Code §5470, et seq. which is how local officials collect unpaid charges for their water, sanitation, storm drainage, or sewerage systems.

25215.6. (a) The board may charge standby charges for water, sewer, or water and sewer services pursuant to the Uniform Standby Charge Procedures Act (Chapter 12.4 (commencing with Section 54984) of Part 1 of Division 2 of Title 5).

(b) If the procedures set forth in the former Section 25210.77b as it read at the time a standby charge was established were followed, the board may, by resolution, continue to collect the charge in successive years at the same rate from the parcels within the county service area to which water or sewers are made available for any purpose by the county service area, whether the water or sewers are actually used or not. If new, increased, or extended assessments are proposed, the board shall comply with the notice, protest, and hearing procedures in Section 53753.

Topic, Derivation, and Comments: Water and Sewer Standby Charges. Based on §25210.77b and derived from §61124 for CSDs.

The CSA 1953 Law allowed county supervisors to impose standby charges on property to recover the costs of building larger facilities with enough capacity to provide future water and sewer services. Standby charges are levied whether or not the property actually receives water or sewer service. They can't exceed \$30 an acre or parcel.

Tired of passing individual bills to raise the maximum standby charges for different types of special districts, the Legislature passed the Uniform Standby Charge Procedures Act (§54984, et seq., as added by AB 3047, Kelley, 1988). If the protests are less than 15%, local officials can impose the standby charges. If the protests are 15% but less than 40%, the local officials can impose the standby charges if they get majority-voter approval. If the protests are more than 40%, the local officials can't impose the standby charges.

Proposition 218 (1996) limited local officials' powers to levy benefit assessments. The Legislature translated these new constitutional limits into statutory procedures for notice, hearing, and protests. Local officials must provide detailed notices to the affected property owners, hold a public hearing, and conduct a weighted ballot election among the property owners. Benefit assessments must be approved by a majority of those weighted ballots (§53750, et seq.). Proposition 218 classified standby charges as benefit assessments that require approval by a majority of the affected property owners' weighted ballots (Article XIII D, §6 [b][4]).

Subdivision (a) is derived from §61124 (a) for CSDs and allows the county supervisors to use the Uniform Standby Charge Procedures Act to set CSAs' standby charges, without the dollar limits imposed by the 1953 Law.

Subdivision (b) is derived from §61124 (b), as amended by SB 444 (Senate Local Government Committee, 2007). The county supervisors can continue their CSAs' existing standby charges, provided that they don't change them and they keep water and sewer services available. Changing an existing standby charge requires compliance with the benefit assessment procedures.

25215.7. Whenever a person installs any facilities including, but not limited to, facilities for sewer or water service, and the board determines that it is necessary that those facilities be constructed so that they can be used for the benefit of property within a county service area other than the property of the person installing the facilities, and the facilities are dedicated to the public or become the property of the county or the county service area, the board may by contract agree to reimburse that person for the cost of the installation of those facilities. This contract may provide that the board may collect a reasonable fee or charge from any person using those facilities for the benefit of property not owned by the person who installed the facilities.

Topic, Derivation, and Comments: Facility Reimbursement Charges. Based on §25210.70b.

This section allows the county supervisors to charge the property users who benefit for the costs of constructing facilities (like water and sewer lines) that were originally built to serve other properties. Note that this language applies to “any facilities” whereas the former §25210.70b was limited to just water and sewer facilities.

This concept is similar to the Integrated Financing District Act (§53175, et seq.).

This concept is also similar to paying for sewer and water improvements with standby charges; see the former §25210.77b, the former §25210.77c, and the former §25210.77d. Also see the new §25215.6 and the Uniform Standby Charge Procedure Act (Government Code §54984, et seq.). Proposition 218 treats standby charges as benefit assessments (Article XIII D, §6 [b][4]).

## **Article 7. Capital Financing**

25216. Whenever the board determines that the amount of revenue available to a county service area is inadequate to acquire, construct, improve, rehabilitate, or replace the facilities authorized by this chapter, or to fund or to refund any outstanding indebtedness, the board may incur debt and raise revenues pursuant to this article or any other provision of law.

Topic, Derivation, and Comments: Debt Authority. New and derived from §61125 for CSDs.

This section introduces the article that lists the ways in which the county supervisors can incur debt for their CSAs' facilities. The preceding Article 6 lists the ways that CSAs can finance their operations. The debt instruments listed in this article are already available to CSAs, so this chapter serves as a "billboard" to remind county officials about their statutory alternatives.

25216.1. (a) Whenever the board determines that it is necessary for a county service area to incur a general obligation bond indebtedness for the acquisition or improvement of real property, the board may proceed pursuant to Chapter 6 (commencing with Section 29900) of Division 3.

(b) The total amount of bonded indebtedness incurred pursuant to this section shall not at any time exceed 5 percent of the taxable property within the county service area as shown by the last equalized assessment roll.

Topic, Derivation, and Comments: General Obligation Bonds. Based on §25211.1, et seq. §29909, and derived from §61126 for CSDs.

The California Constitution requires 2/3-voter approval before a county can issue general obligation (G.O.) bonds, and levy an extraordinary property tax rate to pay for them (Article XIII A, §1 [b][2]).

The 1953 CSA Law contained a lengthy article with more than three dozen sections that allowed CSAs to use general obligation bonds with 2/3-voter approval to accumulate public capital for public works projects. The Working Group agreed that instead of spelling out these details, the new CSA Law should simply cross-reference the statutory procedures for counties to get approval for and issue G.O. bonds.

Subdivision (a) allows county supervisors to get approval for and issue G.O. bonds for their CSAs, just like they do for countywide G.O. bonds. The cross-reference to §29900, et seq. “billboards” those statutory requirements. This language is derived from §61126 (a) for CSDs.

Subdivision (b) limits these G.O. bonds to 5% of a CSA’s assessed value, based on §29909. The 1953 CSA Law had no limit at all. After extended discussions, the Working Group agreed to the Howard Jarvis Taxpayers Association’s request for this cumulative 5% cap.

25216.2. The board of supervisors may finance any enterprise and issue revenue bonds pursuant to the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5), and a county service area shall be deemed a “local agency” for the purposes of that chapter.

Topic, Derivation, and Comments: Revenue Bonds. Based on §25211.33 and derived from §61127 for CSDs.

The CSA 1953 Law allowed county supervisors to issue revenue bonds under the Revenue Bond Law of 1941 which requires majority-voter approval. Revenue bonds are repaid by the rates and charges from public enterprises, not by property taxes. This language “billboards” the Revenue Bond Law of 1941 for county officials.

25216.3. The board may levy benefit assessments to finance facilities consistent with the requirements of Article XIII D of the California Constitution including, but not limited to, benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(b) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(c) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(d) The Landscaping and Lighting Assessment Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code), notwithstanding Section 22501 of the Streets and Highways Code.

(e) Any other statutory authorization enacted on or after January 1, 2009.

Topic, Derivation, and Comments: Benefit Assessments for Facilities. Based on §25210.8 and §25210.59, and derived from §61129 for CSDs.

This section names the benefit assessment statutes that the county supervisors can use to finance their CSAs' facilities, unlike the 1953 CSA Law which offered only a general reference to "benefit assessments." This section acts as a "billboard" to remind county officials which statutes they can use to levy benefit assessments for facilities, provided that they follow the procedures required by Proposition 218 (1996) and now built into the assessment statutes.

Subdivision (d) contains an interesting "notwithstanding" clause. Streets & Highways Code §22501 limits the use of the 1972 Act to local agencies that are already on the property tax roll. But some CSAs may not get a share of the property tax revenues and, therefore, couldn't qualify to use the 1972 Act. This language allows them to use the 1972 Act even if they don't get a share of the property tax revenues.

Also see the new §25215.3 which allows the county supervisors to use benefit assessments to fund their CSAs' operations and maintenance costs.

## Article 8. Zones

25217. (a) Whenever the board determines that it is in the public interest to provide different authorized services, provide different levels of service, provide different authorized facilities, or raise additional revenues within specific areas of a county service area, it may form one or more zones pursuant to this article.

(b) The board shall initiate proceedings for the formation of a new zone by adopting a resolution that does all of the following:

- (1) States that the proposal is made pursuant to this article.
- (2) Sets forth a description of the boundaries of the territory to be included in the zone.
- (3) States the reasons for forming the zone.
- (4) States the different authorized services, different levels of service, different authorized facilities, or additional revenues that the zone will provide.
- (5) Sets for the methods by which those authorized services, levels of service, or authorized facilities will be financed.
- (6) Proposes a name or number for the zone.

(c) A proposal to form a new zone may also be initiated by a petition signed by not less than 10 percent of the registered voters residing within the proposed zone. The petition shall contain all of the matters required by subdivision (b).

(d) Upon the adoption of a resolution or the receipt of a valid petition, the board shall fix the date, time, and place for the public hearing on the formation of the zone. The clerk of the board of supervisors shall:

- (1) Publish notice of the public hearing, including the information required by subdivision (b), pursuant to Section 6061.
- (2) Mail the notice at least 20 days before the date of the hearing to all owners of property within the proposed zone.
- (3) Mail the notice at least 20 days before the date of the hearing to each city and special district that contains, or whose sphere of influence contains, the proposed zone.
- (4) Post the notice in at least three public places within the territory of the proposed zone.

Topic, Derivation, and Comments: Forming Zones. Based on §25210.8 and derived from §61140 for CSDs.

The 1953 CSA Law allowed the county supervisors to set up “zones” to segregate revenues and costs that vary by degree of benefit (the former §25210.8). However, there are no clear procedures for establishing these internal financing divisions. The 1953 CSA Law also alluded to “improvement areas” (the former §25210.81, the former §25210.85, and the former §25210.86) that involve G.O. bonds (the former §25211.1, et seq.). The Working Group was aware that some counties call these internal divisions “zones” and other counties call them “improvement zones.” This new article refers to them as zones and the new §25210.2 (i) defines that term.

25217.1. (a) At the public hearing, the board shall hear and consider any protests to the formation of the zone.

(b)(1) In the case of inhabited territory, if at the conclusion of the public hearing, the board determines that more than 50 percent of the total number of voters residing within the proposed zone have filed written objections to the formation, then the board shall determine that a majority protests exists and terminate the proceedings.

(2) In the case of uninhabited territory, if at the conclusion of the public hearing, the board determines that more than 50 percent of the property owners who own more than 50 percent of the assessed value of all taxable property in the proposed zone have filed written objections to the formation, then the board shall determine that a majority protest exists and terminate the proceedings.

(c) If, pursuant to subdivision (b), the board determines that a majority protest does not exist, then the board may proceed to form the zone.

(d) If the resolution or petition proposes that the zone use special taxes, benefit assessments, fees, standby charges, or bonds to finance its purposes, the board shall proceed according to law. If the voters or property owners do not approve those funding methods, the zone shall not be formed.

Topic, Derivation, and Comments: Public Hearing and Protest. New, but based on §25210.84 and derived from §61141 for CSDs.

Majority protest by either voters (in inhabited territory) or by property owners (in uninhabited territory) stops the formation of a zone. The Working Group was aware of the California Supreme Court's decision, *Curtis v. Board of Supervisors* (1972) 7 Cal.3d 972, which said that it was unconstitutional for a majority landowner protest to stop a city incorporation. The Working Group wanted to keep the majority protest provisions of the former §25210.84, but differentiate between inhabited and uninhabited territory. Note that, unlike the former §25210.84 which referred to land values, this language refers to property values.

If there is no majority protest then, if necessary, the county supervisors must ask voters or property owners to approve the financing method. If they reject the financing method, the formation of the zone stops.

25217.2. The board may change the boundaries of a zone or dissolve a zone by following the procedures in Section 25217 and 25217.1, as appropriate.

Topic, Derivation, and Comments: Zone Boundaries. Based on §25210.81 - §25210.85, and derived from §61142 for CSDs.

The 1953 CSA Law contained several sections that spelled out the detailed procedures for annexing territory to a CSA's zone. This language tells county officials, voters, and property owners to proceed in accordance with the same procedures as for forming a zone.

25217.3. A local agency formation commission shall have no power or duty to review and approve or disapprove a proposal to form a zone, a proposal to change the boundaries of a zone, or a proposal to dissolve a zone.

Topic, Derivation, and Comments: No LAFCO Control. New and derived from §61143 for CSDs.

This language complements the Cortese-Knox-Hertzberg Act's definition of "district" which makes it clear that LAFCOs can't control special districts' internal zones (§56036). Section 7 of SB 1458 also amended §56036 to add county service areas to that list.

25217.4. (a) The board may provide any authorized service, any level of service, or any authorized facility within a zone that the board may provide in the county service area as a whole.

(b) As determined by the board and pursuant to the requirements of this chapter, the board may exercise any fiscal powers within a zone that the board may exercise in the county service area as a whole.

(c) Any special taxes, benefit assessments, fees, rates, charges, standby charges, or bonds which are intended solely for the support of services or facilities within a zone, shall be levied, assessed, and charged within the boundaries of the zone.

(d) The board shall not incur a general obligation bonded indebtedness for a zone pursuant to this section that exceeds 5 percent of the assessed value of the taxable property in the zone as shown by the last equalized assessment roll.

Topic, Derivation, and Comments: Services, Facilities, and Finance. Based on §25210.8, §25211.8, §25211.171, and §29909, and derived from §61144 for CSDs.

Subdivision (c) is based on the former §25210.8, the former §25211.8, and the former §25211.171 for zones.

Subdivision (d) limits the amount of a zone's G.O. bonds to 5% of the zone's assessed value, based on the former §29909. The 1953 CSA Law had no limit at all. This language imposes a 5% limit. After an extended discussion, the Working Group agreed to the Howard Jarvis Taxpayers Association's request that the cap be cumulative, not separate.

SECTION 1. Section 25210 of the Government Code is amended and renumbered to read:

~~25210~~ 25209.3. The board of supervisors may do and perform all acts necessary to enable the county to participate in the “Economic Opportunity Act of 1964” (P.L. 88-452; ~~78 Stat. 508~~) ,as amended, and its successors, including the authorization of the expenditure by the county of whatever funds that may be required by the federal government as a condition to ~~such~~ the county’s participation.

Topic, Derivation, and Comments: Federal Poverty Programs. Based on §25210.

In 1965, the Legislature specifically authorized county boards of supervisors to participate in the federal government’s “War on Poverty” (Chapter 364, Statutes of 1965). So that the first section of the new CSA Law can have a whole number, the Working Group recommended renumbering this section and moving it to a nearby statutory location that allows counties to participate in other federal programs.

There is no substantive change.

SEC. 2. Chapter 2.5 (commencing with Section 25210) is added to Part 2 of Division 2 of Title 3 of the Government Code, to read:

SEC. 3. Chapter 2.2 (commencing with Section 25210.1) of Part 2 of Division 2 of Title 3 of the Government Code is repealed.

Topic, Derivation, and Comments: County Service Area Law.

Section 2 enacts the new CSA Law.

Section 3 repeals the 1953 CSA Law.

SEC. 4. Section 25643 of the Government Code is amended to read:

25643. The board of supervisors of a county shall determine each year such sum of money as the board of supervisors deems necessary for fire protection services within the county, excluding therefrom any city or district which is at such time providing fire protection services within such city or district. Except for the costs of forest, range, and watershed fire protection within state responsibility areas as defined in Part 2 (commencing with Section 4101) of Division 4 of the Public Resources Code, for which the county is not reimbursed by the state, the taxes for the costs of county fire protection services shall be levied only on property within the county served by and benefiting from county fire protection services, or such costs shall be paid from other nonproperty tax revenues collected within the unincorporated area of the county.

Every city or district which provides its own fire protection services, and which prior to March 1 of any year files with the board of supervisors of the county a resolution declaring that such city or district is providing fire protection services within its jurisdiction, shall not be assessed during the following fiscal year and any year thereafter for any portion of the costs of county fire protection services, except for the costs of forest, range, and watershed fire protection within state responsibility areas as defined in Part 2 (commencing with Section 4101) of Division 4 of the Public Resources Code, for which the county is not reimbursed by the state.

All property located within a county service area receiving structural fire protection services under ~~Article 5 (commencing with Section 25210.50) of Chapter 2.2~~ Chapter 2.5 (commencing with Section 25210) of this part shall be exempt from any county tax imposed on property generally to finance structural fire protection, commencing with the ~~1972-1973~~ 1972-73 fiscal year.

This section shall not apply to a county with a population of more than 1,000,000 but less than 6,000,000 according to the 1960 federal census.

Topic, Derivation, and Comments: County Fire Protection Services.

This language inserts the correct cross-reference to the new CSA Law.

SEC. 5. Section 50078.1 of the Government Code is amended to read:

50078.1. As used in this ~~article~~ article, the following terms have the following meanings:

(a) "Legislative body" means the board of directors, trustees, governors, or any other governing body of a local agency specified in subdivision (b).

(b) "Local agency" means any city, county, or city and county, whether general law or chartered, or special district, including a county service area created pursuant to the County Service Area Law, ~~Chapter 2.2 (commencing with Section 25210.1)~~ Law (Chapter 2.5 (commencing with Section 25210)) of Part 2 of Division 2 of Title 3).

(c) "Fire suppression" includes firefighting and fire ~~prevention~~, prevention including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard.

Topic, Derivation, and Comments: Fire Suppression Assessments.

This language inserts the correct cross-reference to the new CSA Law.

This section is another example of how state law treats CSAs as special districts.

SEC. 6. Section 54251 of the Government Code is amended to read:

54251. (a) A local agency may, pursuant to this article, authorize, grant, or enter into one or more exclusive or nonexclusive franchise, license, or service agreements with a privatizer for the design, ownership, financing, construction, maintenance, or operation of a privatization project.

(b) A local agency may enact any measures necessary and convenient to carry out this article.

(c) ~~Notwithstanding Section 25210.77b, within a county service area, a county may, pursuant to the notice, protest, and hearing procedures in Section 53753, fix a charge in excess of ten dollars (\$10) for each acre of land, or ten dollars (\$10) for each parcel of land of less than one acre for sewer standby charges subject to~~ Pursuant to Section 25215.6, within a county service area, a county board of supervisors may charge a standby charge for sewer service for a privatization project pursuant to this article. If the procedures set forth in this section as it read at the time a standby charge was established were followed, the county may, by resolution, continue the charge pursuant to this section in successive years at the same rate. If new, increased, or extended assessments are proposed, the county shall comply with the notice, protest, and hearing procedures in Section 53753.

Topic, Derivation, and Comments: Local Government Privatization Act of 1985.

This language inserts the correct cross-reference to the new CSA Law.

SEC. 7. Section 56036 of the Government Code is amended to read:

56036. (a) "District" or "special district" means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area, but excludes all of the following:

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

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

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

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

(10) A zone of any special ~~district, including but not limited to,~~ district including, but not limited to, the following:

- (A) A fire protection district.
- (B) A mosquito abatement and vector control district.
- (C) A public cemetery district.
- (D) A recreation and park district.
- (E) A community services district.
- (F) A county service area.

(b) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or a "special district" for the purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or a "special district":

- (A) A unified or union high school library district.
- (B) A bridge and highway district.
- (C) A joint highway district.
- (D) A transit or rapid transit district.
- (E) A metropolitan water district.
- (F) A separation of grade district.

(2) Any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving an entity described in paragraph (1) shall be conducted pursuant to the principal act authorizing the establishment of that entity.

(c) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or "special district" for purposes of this division.

[THE TEXT AND COMMENTARY CONTINUE ON THE NEXT PAGE.]

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

- (A) A flood control district.
- (B) A flood control and floodwater conservation district.
- (C) A flood control and water conservation district.
- (D) A conservation district.
- (E) A water conservation district.
- (F) A water replenishment district.
- (G) The Orange County Water District.
- (H) A California water storage district.
- (I) A water agency.
- (J) A county water authority or a water authority.

(2) If the commission determines that an entity described in paragraph (1) is not a “district” or “special district,” any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

Topic, Derivation, and Comments: “District” Definition in the Cortese-Knox-Hertzberg Act.

The Cortese-Knox Hertzberg Local Government Reorganization Act of 2000 defines which districts are subject to LAFCOs’ control and specifically mentions CSAs in §56036 (a). The Legislature created LAFCOs in 1963. In 1964, an Attorney General’s opinion explained that LAFCOs don’t have jurisdiction over the formation of CSAs because CSAs are merely administrative units of the county and not special districts (43 Ops.Cal.Atty.Gen. 267). In 1967, legislators responded by amending §25210.13 to require LAFCO approval (AB 1620, Knox, 1967; Chapter 920 of the Statutes of 1967).

The new CSA Law declares that LAFCOs don’t control CSAs’ zones; see the new §25217.3. This amendment to the Cortese-Knox-Hertzberg Act’s definition of “district” conforms the LAFCO statute to the CSA Law.

Note that a CSA is not listed as a “district of limited powers” in §56037. A district of limited powers is a special district that can merge with a city or that a city can take over as a subsidiary district. See §56056, §56078, and §56117. Because CSAs are often adjuncts of county governments, it’s not appropriate for a city council to replace the county board of supervisors as a CSA’s governing authority. When a city wants to take over a CSA’s duties, the appropriate method is the dissolution of the CSA and the annexation of that territory to the city.

SEC. 8. Section 56375 of the Government Code is amended to read:  
[SEE THE COMMENTARY.]

SEC. 8.5. Section 56375 of the Government Code is amended to read:

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

~~(a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission. The commission may initiate proposals for (1) consolidation of districts, as defined in Section 56036, (2) dissolution, (3) merger, or (4) establishment of a subsidiary district, or a reorganization that includes any of these changes of organization. A commission shall have the authority to initiate only a (1) consolidation of districts, (2) dissolution, (3) merger, (4) establishment of a subsidiary district, or (5) a reorganization that includes any of these changes of organization, if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430 and the commission makes the determinations specified in subdivision (b) of Section 56881. However, a commission shall not have the power to disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:~~

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

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

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

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or district.

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

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

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

(1)

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

(2)

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

~~(3)~~

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

~~As~~

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

~~A~~

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

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

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

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

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

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

[THE TEXT CONTINUES ON THE NEXT PAGE.]

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

(g) To adopt written procedures for the evaluation of proposals, including written definitions ~~not inconsistent~~ consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

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

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

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

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

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

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

(n) To waive the application of ~~Section 25210.90~~ or Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

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

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

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

Topic, Derivation, and Comments: Automatic Detachment From CSA.

The 1953 CSA Law declared that territory which is in a CSA but then annexed to a city is automatically detached from the CSA (the former §25210.90). The Cortese-Knox-Hertzberg Act allows a LAFCO to waive that automatic detachment. The new CSA Law treats CSAs' boundaries like special districts' boundaries and requires a LAFCO's approval to detach territory from a CSA. Therefore, this language amends §56375 (n) to delete the obsolete cross-reference to the LAFCO's power to waive the automatic detachment.

Added by the June 12 amendments to SB 1458, this language also incorporates the nonsubstantive amendments that reformat §56375 made by AB 1263 (Caballero, 2008). When two bills amend the same code section in different ways, the bill that the governor signs second receives a higher chapter number and takes precedence over the first bill. Legislators call this problem "chaptering-out." The solution is called "double-jointing." Double-jointing language allows legislators to make sure that the changes made by both bills take effect.

Governor Schwarzenegger signed AB 1263 (Caballero) into law on July 3, as Chapter 64 of the Statutes of 2008. On July 21, the Governor signed SB 1458 into law as Chapter 158 of the Statutes of 2008. Section 8 of SB 1458 amended §56375 (n) to delete the provision regarding the automatic detachment of territory from a CSA. Section 8.5 amended §56375 to delete the automatic detachment provision and to reformat the language. As Section 22 explains, because SB 1458 was chaptered after AB 1263, Section 8 doesn't become operative, and instead Section 8.5 prevails:

*SEC. 22. Section 8.5 of this bill incorporates amendments to Section 56375 of the Government Code proposed by both this bill and AB 1263. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 56375 of the Government Code, and (3) this bill is enacted after AB 1263, in which case Section 8 of this bill shall not become operative.*

SEC. 9. Section 57075 of the Government Code is amended to read:  
[SEE THE COMMENTARY.]

SEC. 9.5. Section 57075 of the Government Code is amended to read:

57075. In the case of registered voter districts or cities, where a change of organization or reorganization consists solely of annexations, detachments, ~~or formation of county service areas~~ the exercise of new or different functions or class of services or the divestiture of the power to provide particular functions or class of services within all or part of the jurisdictional boundaries of a special district, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section ~~57002~~. 57002:

(a) In the case of inhabited territory, take one of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization subject to confirmation by the registered voters residing within the affected territory if written protests have been filed and not withdrawn by either of the following:

(A) At least 25 percent, but less than 50 percent, of the registered voters residing in the affected territory.

(B) At least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory.

(3) Order the change of organization or reorganization without an election if written protests have been filed and not withdrawn by less than 25 percent of the registered voters or less than 25 percent of the number of owners of land owning less than 25 percent of the assessed value of land within the affected territory.

(b) In the case of uninhabited territory, take either of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization if written protests have been filed and not withdrawn by owners of land who own less than 50 percent of the total assessed value of land within the affected territory.

Topic, Derivation, and Comments: CSA Formation Elections.

The 1953 CSA Law and the Cortese-Knox-Hertzberg Act allow the formation of a CSA without an election if 100% of the landowners agree to the formation. Because the new CSA Law requires an election for almost every new CSA, deleting the phrase “or formation of county service areas” from the first paragraph conforms the LAFCO statute to the new CSA Law.

[THE COMMENTARY CONTINUES ON THE NEXT PAGE.]

Added by the May 23 amendments to SB 1458, this language also incorporates the amendments to §57075 made by AB 2484 (Caballero, 2008). When two bills amend the same code section in different ways, the bill that the governor signs second receives a higher chapter number and takes precedence over the first bill. Legislators call this problem “chaptering-out.” The solution is called “double-jointing.” Double-jointing language allows legislators to make sure that the changes made by both bills take effect.

Governor Schwarzenegger signed SB 1458 into law on July 21, as Chapter 158 of the Statutes of 2008. On July 22, the Governor signed AB 2484 (Caballero) into law as Chapter 196 of the Statutes of 2008. Section 9 of SB 1458 amended §57075 to delete the reference to CSAs. Section 9.5 amended §57075 to delete the reference to CSAs and to insert the new language relating to the exercise and divestiture of special districts’ powers. As Section 23 explains, because AB 2484 was chaptered after SB 1458, Section 9 doesn’t become operative, and instead Section 9.5 prevails:

*SEC. 23. Section 9.5 of this bill incorporates amendments to Section 57075 of the Government Code proposed by both this bill and AB 2484. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 57075 of the Government Code, and (3) this bill is enacted after AB 2484, in which case Section 9 of this bill shall not become operative.*

SEC. 10. Section 5470 of the Health and Safety Code is amended to read:

5470. The following words wherever used in this article shall be construed as defined in this section, unless from the context a different meaning is intended, or unless a different meaning is specifically defined and more particularly directed to the use of such words:

(a) Assessment Roll. "Assessment roll" refers to the assessment roll upon which general taxes of the entity are collected.

(b) Auditor. "Auditor" means the financial officer of the entity.

(c) Clerk. "Clerk" means the official clerk or secretary of the entity.

(d) Chambers. "Chambers" refers to the place where the regular meetings of the legislative body of the entity are held.

(e) Entity. "Entity" means and includes counties, cities and counties, cities, sanitary districts, county sanitation districts, county service areas, sewer maintenance districts, and other public corporations and districts authorized to acquire, construct, maintain and operate sanitary sewers and sewerage systems.

(f) Rates or Charges. "Rates or charges" shall mean fees, tolls, rates, rentals or other charges for services and facilities furnished by an entity in connection with its sanitation or sewerage systems, including garbage and refuse collection.

(g) Real Estate. "Real estate" includes:

- (1) The possession of, claim to, ownership of, or right to possession of land; and
- (2) Improvements on land.

(h) Tax Collector. "Tax collector" means the officer who collects general taxes for the entity.

The amendment of this section made by the 1972 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the preexisting law.

Topic, Derivation, and Comments: Sanitation and Sewerage Systems.

State law spells out the procedures that local officials use to set rates and fees for water, sanitation, storm drainage, and sewerage systems (Health & Safety Code §5470, et seq.). The Working Group learned that county officials rely on those statutory procedures when CSAs provide those services.

The new CSA Law includes a cross-reference to this statute; see the new §25215.5 (b). This amendment to Health & Safety Code §5470 inserts a reference to CSAs. This amendment clarifies the former law without making a substantive change.

SEC. 11. Section 20394.3 of the Public Contract Code is repealed.

~~20394.3. Whenever the Board of Supervisors of San Bernardino County finds that the estimated expense of any work to be done upon any county highway is twenty five thousand dollars (\$25,000) or less, or that the estimated expense of any work to be done upon any road which is not within the county maintained system but is maintained by a county service area with road maintenance powers is twenty five thousand dollars (\$25,000) or less, the board or the purchasing agent may let a contract covering both work and material, purchase the material and let a contract for doing the work, or purchase the materials and do the work by day labor, without calling for bids.~~

Topic, Derivation, and Comments: San Bernardino County's Highway Contracts.

This section of the Public Contract Code allowed San Bernardino County to supersede Public Contract Code §20391 which requires bids for county highway work over \$20,000. But Public Contract Code §20394.5 sets a \$50,000 threshold. There is further confusion with the former Government Code §25210.4a (15) which required all other counties to follow the procedures and thresholds in Public Contract Code §20120, et seq. when contracting for road maintenance.

The Working Group agreed to repeal this section and instead include language in the new CSA Law that tells county officials to follow Public Contract Code §20120, et seq. or Public Contract Code §20150, et seq. for all purposes and not just road maintenance; see the new Government Code §25212 (f).

SEC. 12. Section 5621 of the Public Resources Code is amended to read:

5621. As used in this chapter:

(a) “City” and “county” both include the City and County of San Francisco; “county” does not include a county service area, or zone therein, within the County of San Bernardino empowered to provide public park and recreation services pursuant to ~~Chapter 2.2 (commencing with Section 25210.1) of Part 4~~ the County Service Area Law (Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of the Government ~~Code~~ Code).

(b) “Districts” means regional park districts formed under Article 3 (commencing with Section 5500) of Chapter 3; recreation and park districts formed under Chapter 4 (commencing with Section 5780); any public utility district formed under Division 7 (commencing with Section 15501) of the Public Utilities Code in a nonurbanized area that employs a full-time park and recreation director and offers year-round park and recreation services on lands and facilities owned by the district; any community services district formed under Division 3 (commencing with Section 61000) of Title 6 of the Government Code in a nonurbanized area which is authorized to provide public recreation as specified in subdivision (e) of Section 61600 of the Government Code; any memorial district formed under Chapter 1 (commencing with Section 1170) of Division 6 of the Military and Veterans Code that employs a full-time park and recreation director and offers year-round park and recreation services on lands and facilities owned by the district; the Malaga County Water District exercising powers authorized under Section 31133 of the Water Code; and any county service area, or zone therein, within the County of San Bernardino which is empowered to provide public park and recreation services pursuant to ~~Chapter 2.2 (commencing with Section 25210.1) of Part 4~~ the County Service Area Law (Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of the Government ~~Code~~ Code), which is actually providing public park and recreation services, and which was reorganized prior to January 1, 1987, from a park and recreation district to a county service area or zone.

(c) “Urbanized area” consists of a central city or cities and surrounding closely settled territory, as determined by the Department of Finance on the basis of the most recent verifiable census data. “Urbanized county” means any county with a population of 200,000 or more, as determined by the Department of Finance on the basis of the most recent verifiable census data.

(d) “Heavily urbanized area” means a large city with a population of 300,000 or more and a large county or regional park district with a population of 1,000,000 or more, as determined by the Department of Finance on the basis of the most recent verifiable census data.

(e) “Nonurbanized area” means any city, county, or district which does not qualify as an urbanized area or urbanized county under the definitions in subdivision (c).

(f) “Block grant” means the allocation of moneys for one or more projects for the acquisition or development of recreational lands and facilities.

[THE TEXT AND COMMENTARY CONTINUE ON THE NEXT PAGE.]

(g) “Need basis grant” means the allocation of moneys for one or more projects for the acquisition or development of recreational lands and facilities on a project-by-project basis, based upon need.

(h) “Account” means the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account in the General Fund.

(i) “Special major maintenance project” means a rehabilitation or refurbishing activity performed on an annual or more infrequent interval, excluding capital improvements and routinized or other regularly scheduled and performed tasks such as grounds mowing, hedge trimming, garbage removal, and watering. Special major maintenance project includes activities which will reduce energy requirements to operate recreational lands or facilities.

(j) “Innovative recreation program” means specially designed, creative social, cultural, and human service activities which by their nature are intended to respond to the unique and otherwise unmet recreation needs of special urban populations, including, but not limited to, senior citizens, physically or emotionally handicapped, chronic and “new” poor, single parents, “latchkey” children, and minorities. The term includes special transportation programs designed to facilitate access of these groups to parks and recreational programs and facilities.

Topic, Derivation, and Comments: Roberti-Z' Berg-Harris Urban Open Space Program.

The Roberti-Z' Berg-Harris Urban Open-Space and Recreation Program Act provides state funds for local officials to acquire parks and open space (Public Resources Code §5620, et seq.). The Act's definitions identify which local governments are eligible for these state funds.

The language inserts the proper statutory cross-references to the new CSA law.

SEC. 13. Section 13030 of the Public Resources Code is repealed.

~~13030. Proceedings for the establishment of a district shall be instituted and conducted, as nearly as may be practicable, in the same manner as is prescribed by Article 2 (commencing with Section 25210.10), Chapter 2.2, Part 2, Division 2, Title 3 of the Government Code for proceedings for the establishment of a county service area, except that the resolution of the board of supervisors establishing the district shall not become effective unless and until it has been submitted to the voters of the proposed district at a special election called and conducted by the board of supervisors and has been approved by a majority of the voters voting at such election. The elections shall be conducted insofar as not otherwise provided in this division as a special county election. The cost of the election shall be a proper charge against the county.~~

Topic, Derivation, and Comments: Resort Improvement District Formation.

The Resort Improvement District Law spells out the formation, governance, and powers of resort improvement districts (Public Resources Code §13000, et seq.). To form a new resort improvement district, public officials follow the CSA Law (Public Resources Code §13030). However, in 1965, the Legislature prohibited the formation of any new resort improvement districts (Public Resources Code §13003). Nevertheless, the Resort Improvement District Law still contains the obsolete formation procedures that rely on the CSA Law.

This language repeals the obsolete procedures for forming a resort improvement district.

SEC. 14. Section 13031 of the Public Resources Code is amended to read:

13031. The board of supervisors is the governing body of the district, and, unless otherwise provided in this division, the provisions of the County Service Area Law, ~~Chapter 2.2 (commencing with Section 25210.1) Part 2~~ Chapter 2.5 (commencing with Section 25210) of Part 2 of, Division 2, of Title 3 of the Government Code Code shall apply to the conduct of the business of the district.

Topic, Derivation, and Comments: Resort Improvement District Governance.

The Resort Improvement District Law spells out the formation, governance, and powers of resort improvement districts (Public Resources Code §13000, et seq.). The county board of supervisors is a resort improvement district's governing board and follows the CSA Law (Public Resources Code §13031).

This language inserts the proper statutory cross-reference to the new CSA Law.

SEC. 15. Section 13215 of the Public Resources Code is amended to read:

13215. The district may, pursuant to the notice, protest, and hearing procedures in Section 53753 of the Government Code, fix by ordinance or resolution, on or before the first day of July in each calendar year, water or sewer standby or immediate availability charges. Each such charge shall not individually exceed twelve dollars (\$12) per year for each acre of land, or eight dollars (\$8) per year for each parcel of land of less than an acre within the district to which water or sewerage could be made available for any purpose by the district, whether the water or sewerage is actually used or not, unless the standby charge is imposed pursuant to the Uniform Standby Charge Procedures Act (Chapter 12.4 (commencing with Section 54984) of Part 1 of Division 2 of Title 5 of the Government Code). The district board may establish schedules varying the charges depending upon factors such as the uses to which the land is put, the cost of supplying such services to the land, and the amount of services used on the land. The district board may restrict the imposition of such charges to lands lying within one or more improvement districts within the district.

The limitations contained in this section shall not apply to any district which levied a standby charge pursuant to the County Service Area Law (~~Chapter 2.2 (commencing with Section 25210.1)~~ (Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of the Government Code) prior to January 1, 1977. Any such district shall be subject to Section ~~25210.77b~~ 25215.6 of the Government Code.

Topic, Derivation, and Comments: Resort Improvement Districts' Standby Charges.

The Resort Improvement District Law spells out the formation, governance, and powers of resort improvement districts (Public Resources Code §13000, et seq.). Resort improvement districts may use the standby charge procedures in the CSA Law (Public Resources Code §13215).

This language inserts the proper statutory cross-reference to the new CSA Law.

SEC. 16. Section 97.41 of the Revenue and Taxation Code is amended to read:

97.41. (a) (1) Notwithstanding any other provision of this article, commencing with the 1995-96 fiscal year, the auditor shall allocate property tax revenue to a qualifying county service area, as defined in subdivision (b), in those amounts that would be determined if the amount of the reduction calculated for that county service area pursuant to subdivision (c) of Section 97.3 had been decreased by an amount that is equal to that fraction specified in paragraph (2) of the amount of revenue allocated to that county service area from the county's Special District Augmentation Fund for police protection activities in the 1992-93 fiscal year.

(2) For purposes of implementing paragraph (1), the applicable fractions are as follows:

(A) For the 1995-96 fiscal year, one-third.

(B) For the 1996-97 fiscal year, two-thirds.

(C) For the 1997-98 fiscal year and each fiscal year thereafter, the entire amount.

(b) For purposes of this section, "qualifying county service area" means a county service area that was formed prior to July 1, 1994, pursuant to the County Service Area Law (~~Chapter 2.2 (commencing with Section 25210.1)~~ Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of the Government Code) and that is either of the following:

(1) A county service area, the governing board of which is the board of supervisors, that is engaged in police protection activities, as reported to the Controller for inclusion in the 1989-90 Edition of the Financial Transactions Report Concerning Special Districts under the heading of "Police Protection and Public Safety."

(2) A county service area, the sole purpose of which is to engage in police protection activities.

Topic, Derivation, and Comments: ERAF Exemption for Police Protection.

When the state shifted property tax revenues from local governments to schools by creating the Educational Revenue Augmentation Fund (ERAF), legislators created several exemptions, including CSAs that provide police protection (Revenue & Taxation Code §97.41).

This language inserts the proper statutory cross-reference to the new CSA Law.

SEC. 17. Section 1179.5 of the Streets and Highways Code is amended to read:

1179.5. In lieu of, or in addition to, any special tax levied pursuant to Section 1178, the board may fix and collect parcel charges for any permanent road division ~~in the same manner as for miscellaneous extended services in county services areas pursuant to Article 7 (commencing with Section 25210.70) of Chapter 2.2 of Part 2 of Division 2 of Title 3~~ pursuant to the assessment ballot procedures in Section 53753 of the Government Code.

Topic, Derivation, and Comments: Permanent Road Divisions.

Counties can build and maintain roads by using permanent road divisions, a type of financing device that is not a separate special district (Streets & Highways Code §1160, et seq.). County officials can raise revenue for their permanent road divisions with parcel charges that are levied under the CSA Law (Streets & Highways Code §1179.5).

The new CSA Law no longer authorizes parcel charges.

This language deletes the obsolete reference to CSAs' parcel charges and substitutes the procedures that local officials use when levying benefit assessments.

SEC. 18. Section 22976 of the Water Code is amended to read:

22976. This section provides for an alternative procedure for forming an improvement district within the El Dorado Irrigation District:

~~(a) It is hereby provided that El Dorado Irrigation District shall have, and it is hereby granted, all of the powers contained in the following listed sections of the Government Code for forming improvement districts within El Dorado Irrigation District for any and all of the powers allowed El Dorado Irrigation District. These sections are listed as follows: Sections 25210.6, 25210.10, 25210.10a, 25210.11, 25210.12, 25210.13, 25210.14, 25210.15, 25210.16, 25210.17, 25210.17a, 25210.18, 25210.19, 25210.20, 25210.21, 25210.22, 25210.23, 25210.30, 25210.31 (except that the reference therein to Section 25210.14 shall mean services that El Dorado Irrigation District or an improvement district therein can perform), 25210.32, 25210.33, 25210.34, 25210.34a, 25210.35, 25210.36, 25210.37, 25210.38, 25210.80, 25210.80a, 25210.81, 25210.82, 25210.83, 25210.84, 25210.84a, 25210.85, 25210.90, 25210.90a, 25210.91, 25210.92, 25210.93, 25210.94, 25210.95, 25210.96, 25210.97, and 25210.98.~~

(a) The El Dorado Irrigation District may form one or more districts in the same manner as county service areas form zones pursuant to the County Service Area Law (Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of the Government Code). An improvement district formed by the El Dorado Irrigation District shall have all of the powers and duties of a zone formed pursuant to the County Service Area Law.

(b) The application of, and the terms used in, those sections shall have the following meanings:

1. ~~“Board~~

(1) “Board of supervisors” shall mean the board of directors of the district.

2. ~~“County~~

(2) “County service area” shall mean improvement district.

3. ~~“County~~

(3) “County services” shall mean El Dorado Irrigation District services.

4. ~~“County services~~

(4) “County Service Area No. \_\_\_\_\_” shall mean “Improvement District No. \_\_\_\_\_.”

5. ~~“Chapter”~~

(5) “Chapter” shall mean section.

6. ~~“Section 25210.4”~~

(6) “Services” shall mean “services permitted El Dorado Irrigation District.”

7. ~~“County~~

(7) “County taxes” shall mean El Dorado Irrigation District assessments.

8. ~~“County~~

(8) “County treasurer” shall mean El Dorado Irrigation District treasurer.

Topic, Derivation, and Comments: El Dorado Irrigation District’s Improvement Districts.

The Irrigation District Law provides the statutory authority for local officials to create, govern, and finance irrigation districts (Water Code §20500, et seq.). The El Dorado Irrigation District can form improvement districts the same way that county service areas can form zones, citing more than 40 sections of the 1953 CSA Law. Because the new CSA Law makes these statutory cross-references obsolete, this language inserts the correct statutory cross-references.

SEC. 19. Section 22981 of the Water Code is amended to read:

22981. Notwithstanding any other provision of this division, the district, or an improvement district formed within the district pursuant to this division, may do any of the following:

(a) Construct, operate, and maintain facilities for the collection, transmission, treatment, and disposal of sewage water, including all works, structures, plants, equipment, and lines necessary and convenient for the collection, transmission, treatment, and disposal of sewage waters within the district.

(b) Construct, operate, and maintain works and facilities for the use, storage, control, regulation, and distribution of any drainage water within the district.

(c) Authorize, issue, and sell revenue bonds pursuant to the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code) for any purpose specified in this division.

(d) Authorize, issue, and sell general obligation bonds pursuant to ~~Article 10 (commencing with Section 25211.1) of Chapter 2.2 of Part 2 of Division 2 of Title 3~~ Section 25216.1 of the Government Code for any purpose specified in this division.

(e) (1) Use the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code), and the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) for the construction of any facilities authorized to be constructed under this division.

(2) In the application of the acts specified in this subdivision to proceedings under this subdivision, the terms used in those acts have the following meanings:

(A) "City council" and "council" means the board of directors of the district.

(B) "City" and "municipality" means the district.

(C) "Clerk" and "city clerk" means the secretary.

(D) "Superintendent of streets" and "street superintendent" and "city engineer" means the general manager of the district or any other person appointed to perform those duties.

(E) "Tax collector" means the county assessor.

(F) "Treasurer" and "city treasurer" means the person or officer who has charge of and makes payment of the funds of the district.

(G) "Right-of-way" means any parcel of land through which a right-of-way has been granted to the district for the purpose of constructing or maintaining any work or improvements which the district is authorized to do.

(3) The powers and duties conferred by those acts upon boards, officers, and agents of cities shall be exercised by the board, officers, and agents of the district, respectively.

Topic, Derivation, and Comments: General Obligation Bonds of the Merced Irrigation District and the East Contra Costa Irrigation Districts.

The Irrigation District Law provides the statutory authority for local officials to create, govern, and finance irrigation districts (Water Code §20500, et seq.). The Merced Irrigation District and the East Contra Costa Irrigation District can issue general obligation bonds the same way that county service areas can. Because the new CSA Law makes the statutory cross-reference obsolete, this language inserts the correct statutory reference to the new CSA Law.

SEC. 20. Section 22982 of the Water Code is amended to read:

22982. This section provides an alternative procedure for forming an improvement district within the district as follows:

~~(a) The district may exercise all of the powers specified in Article 2 (commencing with Section 25210.10), Article 2.5 (commencing with Section 25210.21), Article 3 (commencing with Section 25210.30), Article 8 (commencing with Section 25210.80), and Article 9 (commencing with Section 25210.90) of, Chapter 2.2 of Part 2 of Division 2 of Title 3 of the Government Code for forming improvement districts within the district for any of the purposes allowed the district, except that the reference in Section 25210.31 of the Government Code to Section 25210.14 means services that the district, or an improvement district therein, may perform~~

(a) The district may form one or more improvement districts in the same manner as county service areas form zones pursuant to the County Service Area Law (Chapter 2.5 (commencing with Section 25210) of Part 2 of Division 2 of Title 3 of the Government Code). An improvement district formed by the district shall have all of the powers and duties of a zone formed pursuant to the County Service Area Law.

(b) The application of, and the terms used in, those provisions have the following meanings:

- (1) "Board of supervisors" means the board of directors of the district.
- (2) "County service area" means an improvement district.
- (3) "County services" means district services.
- (4) "County ~~Services~~ Service Area No. \_\_\_\_" means "Improvement District No. \_\_\_\_."
- (5) "Chapter" means section.
- (6) ~~"Section 25210.4"~~ "Services" means services the district may perform.
- (7) "County taxes" means district assessments.
- (8) "County treasurer" means the district treasurer.

Topic, Derivation, and Comments: Merced Irrigation District and the East Contra Costa Irrigation District's Improvement Districts.

The Irrigation District Law provides the statutory authority for local officials to create, govern, and finance irrigation districts (Water Code §20500, et seq.). The Merced Irrigation District and the East Contra Costa Irrigation District can form improvement districts the same way that county service areas can form zones, citing several articles of the CSA Law. Because the new CSA Law makes these statutory cross-references obsolete, this language inserts the correct statutory cross-reference to the new CSA Law.

SEC. 21. This act is based on the recommendations of the Working Group on Revising the County Service Area Law, convened by the Senate Committee on Local Government.

Topic, Derivation, and Comments: Source. New.

Added to SB 1458 by the March 24 amendments, this uncodified section signals future reviewers, including the courts, about the source of these statutory changes. This language is similar to the uncodified sections that the Senate Local Government Committee added at the end of its other revision efforts. See:

Section 5 of Chapter 15 of the Statutes of 2001 (SB 707)  
Recreation and Park District Law

Section 11 of Chapter 395 of the Statutes of 2002 (SB 1588)  
Mosquito Abatement and Vector Control District Law

Section 6 of Chapter 57 of the Statutes of 2003 (SB 341)  
Public Cemetery District Law

Section 9 of Chapter 249 of the Statutes of 2005 (SB 135)  
Community Service District Law

SEC. 22. Section 8.5 of this bill incorporates amendments to Section 56375 of the Government Code proposed by both this bill and AB 1263. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 56375 of the Government Code, and (3) this bill is enacted after AB 1263, in which case Section 8 of this bill shall not become operative.

SEC. 23. Section 9.5 of this bill incorporates amendments to Section 57075 of the Government Code proposed by both this bill and AB 2484. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 57075 of the Government Code, and (3) this bill is enacted after AB 2484, in which case Section 9 of this bill shall not become operative.

Topic, Derivation, and Comments: Double-jointing Directions.

These sections explain which amendments to §56375 and §57075 become operative.

For detailed explanations of the problem called chaptering-out and the solution known as double-jointing see the Commentaries on pages 99 and 101.

**Source Table for the County Service Area Law**

**CALIFORNIA GOVERNMENT CODE  
Title 3. Government of Counties  
Division 2. Officers  
Part 2. Board of Supervisors  
Chapter 2.5. County Service Areas  
Article 1. General Provisions**

<b><u>Section</u></b>	<b><u>Topic</u></b>	<b><u>Source</u></b>
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25210.2	Definitions	
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	(b) "Commission"	New, 56027
	(c) "County service area"	New
	(d) "Geologic hazard"	25210.4a (14), PRC 26507
	(e) "Inhabited territory"	New, 56042
	(f) "Landowner"	New, 56048
	(g) "Latent power"	New, 61002 (h)
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	(i) "Zone"	New, 61002 (m)
25210.3	Succession & savings clauses	New, 61003
25210.4	Liberal construction	New, 61004
25210.5	Severability	New, 61005
25210.6	Lawsuits	
	(a) Organization	New, 61006 (a)
	(b) Bonds, contracts, debts	25211.175, 61006 (b)
	(c) Assessments, fees, charges	25210.77g
	(d) Other decisions	HSC 9006 (b)
25210.7	Area & boundaries	
	(a) Territory	25210.10, 25210.80
	(b) Unincorporated-wide territory	25210.4c
	(c) Incorporated territory	25210.10a, 25210.80a, RTC 99 (b)(7)
	(d) Ag, timber, livestock land	25210.1a
	(e) LAFCO authority	25210.3a, 25210.3b, 61007(b)
	(f) Not "independent special district"	New

<u>Section</u>	<u>Topic</u>	<u>Source</u>
25210.7 (con't)	(g) Zone boundary change documents	25210.86,61009
25210.8	Elections	
	(a) UDEL applies	New, 61008 (a)
	(b) Mailed ballot elections	New, 61008 (c)
	(c) Advisory elections	New, 61008 (d)
<b>Article 2. Formation</b>		
25211	Formation authority	25210.10, 61010
25211.1	Formation petition	
	(a) Contents	25210.12 (c), 61011 (a)
	(b) Procedures	New, 61011 (b)
	(c) Signatures	25210.12 (d), 61011 (c)
25211.2	Notice of intention	New, 61012
25211.3	Application by resolution	New, 61013
25211.4	LAFCO proceedings	
	(a) LAFCO proceedings	New, 61014
	(b) Sufficient revenues	New, 61104 (b) & (c)
	(c) Incorporated territory, city consent	25210.10a
	(d) County supervisors' objection	25210.18
	(e) Protest hearing	61014 (d)
	(f) LAFCO action	61014 (e)
	(g) Election	61014 (f)
25211.5	Property owner election	New, 53326 (b)

### Article 3. General Powers

25212	General Powers	
	(a) Rules & regulations	New, 61060 (b)
	(b) Property powers	New, 61060 (d)
	(c) Eminent domain	New, 61060 (e)
	(d) Professional services	New, HSC 34144
	(e) Contracts	New, 61060 (g)
	(f) Joint powers agreements	New, 61060 (j)
	(g) All necessary actions	New, 61060 (n)

<u>Section</u>	<u>Topic</u>	<u>Source</u>
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	(c) Regular audits	New, 61118 (a)
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- SECTION 1. Amend Government Code §25209.3, Federal poverty programs  
*Amendments renumber the section from §25210 to §25209.3.*
- SEC. 2. Add Government Code §25210, et seq., County Service Area Law  
*Enacts the new CSA Law.*
- SEC. 3. Repeal Government Code §25210.1, et seq., County Service Area Law  
*Repeals the 1953 CSA Law.*
- SEC. 4. Amend Government Code §25643, County fire protection services  
*Amends cross-reference.*
- SEC. 5. Amend Government Code §50078.1, Fire suppression assessments  
*Amends cross-reference.*
- SEC. 6. Amend Government Code §54215, Local Government Privatization Act of 1985  
*Amends cross-reference.*
- SEC. 7. Amend Government Code §56036, “District” definition in the CKH Act  
*Inserts reference to CSAs’ zones.*
- SEC. 8.5. Amend Government Code §56375, Automatic detachment from CSA  
*Amends subdivision (n) & reformats language.*
- SEC. 9.5. Amend Government Code §57075, CSA formation elections  
*Deletes CSA formation and includes changes from AB 2484 (Caballero).*
- SEC. 10. Amend Health & Safety Code §5470, Sanitation & sewerage systems  
*Adds reference to CSAs.*
- SEC. 11. Repeal Public Contract Code §20394.3, San Bernardino Co’s highway contracts  
*Repeals section.*
- SEC. 12. Amend Public Resources Code §5621, Urban open space programs  
*Amends cross-reference.*
- SEC. 13. Repeal Public Resource Code §13030, Resort improvement district formation  
*Repeals section.*

- SEC. 14. Amend Public Resources Code §13031, Resort improvement district governance  
*Amends cross-reference.*
- SEC. 15. Amend Public Resources Code §13215, Resort imp. dist. standby charges  
*Amends cross-reference.*
- SEC. 16. Amend Revenue & Taxation Code §97.41, ERAF exemption  
*Amends cross-reference.*
- SEC. 17. Amend Streets & Highways Code §1179.5, Permanent road divisions  
*Deletes obsolete references and inserts cross-reference.*
- SEC. 18. Amend Water Code §22976, Improvement. districts of El Dorado ID  
*Amends cross-references.*
- SEC. 19. Amend Water Code §22981, General obligation bonds of irrigation districts  
*Amends cross-reference.*
- SEC. 20. Amend Water Code §22982, Improvement districts of Merced & ECC IDs  
*Amends cross-reference.*
- SEC. 21. Uncodified section, Source  
*Legislative declaration.*
- SEC. 22. Uncodified section, Double-jointing language for SEC. 8 and SEC. 8.5  
*Legislative instructions.*
- SEC. 23. Uncodified section, Double-jointing language for SEC. 9 and SEC. 9.5  
*Legislative instructions.*

**LEGEND:**

HSC	=	Health & Safety Code
PRC	=	Public Resources Code
RTC	=	Revenue & Taxation Code

## Disposition Table for the County Service Area Law

### CALIFORNIA GOVERNMENT CODE

#### Title 3. Government of Counties

#### Division 2. Officers

#### Part 2. Board of Supervisors

#### Chapter 2.2. County Service Areas

#### Article 1. General Provisions

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<b>1953 Law</b>		<b>SB 1458</b>
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<b>1953 Law Section</b>	<b>Topic</b>	<b>SB 1458 Disposition</b>
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<b>1953 Law</b>		<b>SB 1458</b>
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<b><u>Disposition</u></b>
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Repealed, 25216.1 (a)
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## Sources

In researching and writing this report, the staff of the Senate Local Government Committee relied on the materials prepared for the Working Group on Revising the County Service Area Law, plus the following sources:

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