
Introduced by Senator Emmerson

February 24, 2012

An act to amend Sections 56133 and 56375 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1498, as introduced, Emmerson. Local agency formation commission: powers.

(1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Existing law authorizes the commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances.

This bill would additionally authorize the commission to authorize a city or district to provide new or existing services outside its jurisdictional boundaries and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under

specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes.

(2) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined, that includes a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, subject to specified exceptions.

This bill would repeal this provision.

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

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

1 SECTION 1. Section 56133 of the Government Code is
2 amended to read:

3 56133. (a) A city or district may provide new or extended
4 services by contract or agreement outside its jurisdictional
5 ~~boundaries~~ *boundary* only if it first requests and receives written
6 approval from the commission ~~in the affected county~~. *The*
7 *commission may delegate approval of requests made pursuant to*
8 *subdivision (b) and paragraph (1) of subdivision (c) to the*
9 *executive officer.*

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

14 (c) ~~The~~ *If the consistent with adopted commission policy, the*
15 *commission may authorize a city or district to provide new or*
16 *extended services outside its jurisdictional ~~boundaries~~ *boundary**
17 *and outside its sphere of influence as follows: ~~to~~*

18 (1) *To respond to an existing or impending threat to the public*
19 *health or safety of the residents of the affected territory if both of*
20 *the following requirements are met:*

21 ~~(1)~~

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

25 ~~(2)~~

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

6 (2) *To support existing or planned uses involving public or*
7 *private properties, subject to approval at a noticed public hearing*
8 *in which all of the following determinations are made:*

9 (A) *The extension of service or service deficiency was identified*
10 *and evaluated in a municipal service review prepared by the*
11 *commission pursuant to Section 56430.*

12 (B) *The effect of the extension of service would not result in*
13 *adverse impacts on open space or agricultural lands or result in*
14 *adverse growth inducing impacts.*

15 (C) *A later change of organization involving the subject property*
16 *and the affected agency is not feasible or desirable based on the*
17 *adopted policies of the commission.*

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

36 (e) This section does not apply to ~~contracts or agreements solely~~
37 ~~involving~~ two or more public agencies where *the commission*
38 *determines* the public service to be provided is an alternative to,
39 or substitute for, public services already being provided by an
40 existing public service provider and where the level of service to

1 be provided is consistent with the level of service contemplated
2 by the existing service provider. ~~This~~

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

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

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

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

21 (j) *The commission in the county in which the extension of the*
22 *service is proposed shall have discretion to implement this section.*

23 SEC. 2. Section 56375 of the Government Code is amended
24 to read:

25 56375. The commission shall have all of the following powers
26 and duties subject to any limitations upon its jurisdiction set forth
27 in this part:

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

32 (2) The commission may initiate proposals by resolution of
33 application for any of the following:

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

35 (B) The dissolution of a district.

36 (C) A merger.

37 (D) The establishment of a subsidiary district.

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

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

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

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

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

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

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

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

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

32 (7) The decision of the commission with regard to a proposal
33 to annex territory to a city shall be based upon the general plan
34 and rezoning of the city. When the development purposes are not
35 made known to the annexing city, the annexation shall be reviewed
36 on the basis of the adopted plans and policies of the annexing city
37 or county. A commission shall require, as a condition to
38 annexation, that a city prezone the territory to be annexed or present
39 evidence satisfactory to the commission that the existing
40 development entitlements on the territory are vested or are already

1 at build-out, and are consistent with the city's general plan.
2 However, the commission shall not specify how, or in what
3 manner, the territory shall be rezoned.

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

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

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

17 ~~(ii) The commission finds, based upon written evidence, that a~~
18 ~~majority of the residents within the affected territory are opposed~~
19 ~~to annexation.~~

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

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

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

34 (e) To approve the annexation of unincorporated territory
35 consistent with the planned and probable use of the property based
36 upon the review of general plan and rezoning designations. No
37 subsequent change may be made to the general plan for the annexed
38 territory or zoning that is not in conformance to the rezoning
39 designations for a period of two years after the completion of the
40 annexation, unless the legislative body for the city makes a finding

1 at a public hearing that a substantial change has occurred in
2 circumstances that necessitate a departure from the rezoning in
3 the application to the commission.

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

18 (g) To adopt written procedures for the evaluation of proposals,
19 including written definitions consistent with existing state law.
20 The commission may adopt standards for any of the factors
21 enumerated in Section 56668. Any standards adopted by the
22 commission shall be written.

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

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

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

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

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

39 (m) To waive the restrictions of Section 56744 if it finds that
40 the application of the restrictions would be detrimental to the

1 orderly development of the community and that the area that would
2 be enclosed by the annexation or incorporation is so located that
3 it cannot reasonably be annexed to another city or incorporated as
4 a new city.

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

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

17 (p) To authorize a city or district to provide new or extended
18 services outside its jurisdictional boundaries pursuant to Section
19 56133.

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

25 (r) To approve with or without amendment, wholly, partially,
26 or conditionally, or disapprove pursuant to this section the
27 annexation of territory served by a mutual water company formed
28 pursuant to Part 7 (commencing with Section 14300) of Division
29 3 of Title 1 of the Corporations Code that operates a public water
30 system to a city or special district. Any annexation approved in
31 accordance with this subdivision shall be subject to the state and
32 federal constitutional prohibitions against the taking of private
33 property without the payment of just compensation. This
34 subdivision shall not impair the authority of a public agency or
35 public utility to exercise eminent domain authority.

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LAFCo

San Bernardino County

2011

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June 21, 2011

TO: LAFCo Executive Officers
FROM: CALAFCO Legislative Committee
REPORT BY: Keene Simonds, Napa LAFCo
SUBJECT: Board-Approved Amendments to Government Code Section 56133

On April 29, 2011, the CALAFCO Board unanimously approved a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133 and its provisions governing the LAFCo approval process for cities and special districts to provide new and extended outside services. Three substantive changes underlie the Board-approved amendments. The first change expands LAFCos' existing authority in approving new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats. The second change clarifies LAFCos' sole authority in determining the application of the statute. The third change deemphasizes the approval of contracts or agreements in favor of emphasizing the approval of service extensions.

The Board-approved amendments would – if passed into law – significantly expand LAFCos' individual discretion in administering G.C. Section 56133. Markedly, enhancing discretion highlights the Legislative Committee's principal motive in proposing the amendments given the current statute limits LAFCos' ability to accommodate new and extended services beyond spheres of influence that are otherwise logical given local conditions unless addressing public health or safety threats. The Legislative Committee, nevertheless, recognizes the importance of establishing specific safeguards to help uniformly guide LAFCos in exercising their expanded discretion consistent with our collective responsibilities to facilitate orderly and efficient municipal growth and development. Most notably, this includes explicitly tying the expanded discretion with the municipal service review process.

Additional materials are attached to this communication further detailing the Board-approved amendments to G.C. Section 56133. This includes a one-page informational flyer summarizing the key changes with implementing examples as well as addressing frequently asked questions that have been raised in the two plus years the Legislative Committee has expended on this important rewrite. The Legislative Committee welcomes your questions and comments. Towards this end, to help expedite follow up, these regional coordinators are available to discuss the Board-approved amendments as well as make presentations to individual LAFCos if interested:

Northern: Scott Browne, Nevada
Steve Lucas, Butte

Coastal: Neelima Palacherla, Santa Clara
Keene Simonds, Napa

Central: Marjorie Blum, Stanislaus
Ted Novelli, Amador

Southern: Kathy McDonald, San Bernardino
George Spiliotis, Riverside

Thank you again for your attention to this matter and the Legislative Committee looks forward to working with you on any questions or comments.

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Sacramento, CA 95814

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Attachments: 1) Informational Flyer on the Board-Approved Amendments to G.C. Section 56133
2) Board Approved Amendments to G.C. Section 56133 (Track-Changes)
3) Legislative History of G.C. Section 56133

CALAFCO Board Approves Changes to Government Code Section 56133



CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS

June 2011

The Proposal: Three Changes ...

The CALAFCO Board has unanimously approved a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133 and its provisions governing the LAFCo approval process for cities and districts to provide new and extended outside services. Three key changes underlie the Board-approved amendments. The **first** and most significant change expands LAFCo's existing authority in approving new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats so long as LAFCo make three findings at noticed public hearings. These findings involve determining the extension 1) was contemplated in a municipal service review and 2) will not result in adverse impacts on open-space and agricultural lands or growth nor is a 3) later change of organization expected or desired based on local policies. The **second** change clarifies LAFCo's sole authority in determining the application of the statute. The **third** change deemphasizes the approval of contracts and emphasizes the approval of service extensions.

Why the Changes ...

The CALAFCO Board and Legislative Committee believes the three changes proposed for G.C. Section 56133 will measurably strengthen a LAFCo's ability to effectively regulate outside service extensions in concert with our evolving role in regional growth management. Specifically, if passed into law, the changes will provide LAFCo more flexibility in accommodating service extensions lying beyond spheres of influence that are otherwise sensible given local conditions while clarifying the determination of when the statute and its exemptions apply rests solely with LAFCo. The changes would also strike unnecessary references to "contract or agreement approval" given these documents are generally prepared only after the proposed service extensions have been considered and approved by LAFCo. Examples showing how these changes could be implemented follow.

- LAFCo would have the authority, subject to making certain findings, to approve new or extended outside services beyond spheres of influence for public facilities, such as fire stations and schools, where the connection to the affected agency's infrastructure is a potential option.
- LAFCo would have the authority, subject to making certain findings, to approve new or extended outside services beyond spheres of influence for private uses supporting permitted intensity increases, such as residential construction or commercial additions.
- LAFCo would avoid delays and other transaction costs tied to disagreements with agencies regarding the constitution of "new" and "extended" services as well as determining when exemptions apply. Notably, this includes determining when a contract service proposed between two public agencies qualifies for exemption if it is "consistent with the level of service contemplated by the existing provider."

FAQs

Does providing LAFCo with more flexibility to approve services beyond spheres of influence undermine LAFCo's ability to curb sprawl?

No. The proposed changes include measured safeguards to protect against inappropriate urban development by requiring LAFCo to make three specific findings (consistency with a municipal service review, no adverse agricultural or growth inducing impacts, and no expectation of future annexation) at noticed hearings before approving new or extended services beyond spheres.

Will these changes create new pressures on LAFCo to accommodate development beyond agencies' spheres they would otherwise reject?

The proposed changes do not effect LAFCo's existing right and duty to deny outside service requests deemed illogical and inconsistent with their policies.

How long has CALAFCO been discussing the proposal?

The Legislative Committee has spent two plus years working on the proposal before Board approval in April 2011.

Questions or Comments

The following regional coordinators are available for questions or comments on the proposed changes to G.C. Section 56133. The regional coordinators are also available to make presentations to interested LAFCos.

- Scott Browne, Nevada
- Steve Lucas, Butte
- Marjorie Blom, Stanislaus
- Ted Novelli, Amador
- Neelima Palacherla, Santa Clara
- Keene Simonds, Napa
- Kathy McDonald, San Bernardino
- George Spiliotis, Riverside

Contact: William Chiat, Exec. Dir.
(916) 442-6536
wchiat@calafco.org

Proposed Amendments to G.C. Section 56133
(Approved by the CALAFCO Board on April 29, 2011)

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional ~~boundaries~~ boundary only if it first requests and receives written approval from the commission ~~in the affected county~~. The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.

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

(c) ~~If consistent with adopted policy,~~ The commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries~~ boundary and outside its sphere of influence under any of the following circumstances:

~~(1) To~~ (1) To respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

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

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

(2) To support existing or planned uses involving public or private properties subject to approval at a noticed public hearing that includes all of the following determinations:

(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.

(B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.

(C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.

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

(e) This section does not apply to ~~contracts or agreements solely involving two or more public agencies where~~ the commission determines the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

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

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

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

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

~~(j) The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of service is proposed.~~

Government Code Section 56133
Outside agency service/Extraterritorial service

Legislative History (new language underlined, deleted language ~~crossed-out~~)

Introduced on March 3, 1993 in AB 1335 (Gotch). "The Gotch Bill" as drafted by CALAFCO.

A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. This section does not apply to contracts or agreements solely involving two or more public agencies.

Added, Statutes of 1993, chapter 1307, section 2, AB 1335 (Gotch). "The Gotch Bill" as adopted by Legislature. Effective January 1, 1994.

A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization. This section does not apply to contracts or agreements solely involving two or more public agencies. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section shall not apply to an extended service that a city or district was providing on January 1, 1993.

Amended, Statutes of 1994, chapter 654, section 2, AB 3350 (Gotch). One-year clean up of the Gotch Bill. Changing effective date of grandfathering clause to effective date of original Gotch Bill. Effective September 20, 1994.

A city or district may provide new or extended

services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization. This section does not apply to contracts or agreements solely involving two or more public agencies. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section shall not apply to an extended service that a city or district was providing on January 1, 1993 1994.

Amended, Statutes of 1997, chapter 175, section 1, AB 637 (Alby)
Exempts local publicly owned power utility where no acquisition or construction of electrical facilities outside agency boundaries. Effective January 1, 1998.

A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization. This section does not apply to contracts or agreements solely involving two or more public agencies. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any

project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section shall not apply to an extended service that a city or district was providing on January 1, 1994. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services, which do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

Amended, Statutes of 1999, chapter 779, section 1, SB 807 (Committee on Agriculture and Water Resources). Health or safety threats outside spheres.

New formant with sub-sections.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

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

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

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

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

(d) This section does not apply to contracts or agreements solely involving two or more public agencies. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on January 1, 1994. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

Amended, Statutes of 2000, chapter 761, section 47 AB 2838 (Hertzberg). The Local Governmental Reorganization Act of 2000. Effective January 1, 2001.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

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

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

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

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

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

(e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water

to agricultural lands for projects that serve conservation purposes and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on January 1, 1994. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

Amended, Statutes of 2002, chapter 548, section 6, AB 2227. Harman. Change of grandfathering date. Effective January 1, 2003.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

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

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

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety

of the public or the affected residents.

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

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

(e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural

industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on or before January 1, ~~1994~~ 2001. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.