

AMENDED IN SENATE APRIL 23, 2015

AMENDED IN SENATE MARCH 23, 2015

## SENATE BILL

**No. 239**

### **Introduced by Senator Hertzberg**

February 17, 2015

An act to amend Sections ~~56021, 56654, 56824.10, and 56824.12~~ *56017.2 and 56133* of, *and to add Section 56800.5 56134 to, and to add Article 1.6 (commencing with Section 56824.20) to Chapter 5 of Part 3 of Division 3 of Title 5 of,* the Government Code, relating to local services.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 239, as amended, Hertzberg. Local services: contracts: fire protection services.

Existing law prescribes generally the powers and duties of the local agency formation commission in each county with respect to the review approval or disapproval of proposals for changes of organization or reorganization of cities and special districts within that county. Existing law ~~establishes commission proceedings to consider the exercise of new or different functions or services, or the divestiture of the power to provide particular functions or services, by special districts. permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.~~

~~This bill would establish commission proceedings to consider the permit a public agency to exercise of new or extended fire protection services outside a the public agency's current service area by contract or agreement. pursuant to a fire protection reorganization contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county. The bill would require that the legislative body of a public agency to that is not a state agency adopt a resolution of application and submit the resolution along with a plan for services, as provided. The bill would require provided, and that a proposal by a state agency be initiated by the director of the agency with the approval of the Governor. The bill would require, prior to adopting the resolution or submitting the proposal, the public agency to enter into a written agreement for the performance of new or extended fire protection services pursuant to a fire protection reorganization contract with each affected public agency and recognized employee organization representing firefighters in the affected area and to conduct a public hearing on the resolution. The bill would provide that a proposal for a change of organization that involves the exercise of new or extended fire protection services outside a public agency's current service area by contract or agreement may be initiated only by these proceedings.~~

The bill would require the commission to approve or disapprove the proposal as specified. The bill would require the commission to consider, among other things, ~~to review~~ a comprehensive fiscal analysis prepared by the executive officer in accordance with specified requirements.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

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

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

- 1 ~~SECTION 1. Section 56021 of the Government Code is~~
- 2 ~~amended to read:~~
- 3 56021. "Change of organization" means any of the following:

- 1 ~~(a) A city incorporation.~~  
2 ~~(b) A district formation.~~  
3 ~~(c) An annexation to a city.~~  
4 ~~(d) An annexation to a district.~~  
5 ~~(e) A detachment from a city.~~  
6 ~~(f) A detachment from a district.~~  
7 ~~(g) A disincorporation of a city.~~  
8 ~~(h) A district dissolution.~~  
9 ~~(i) A consolidation of cities.~~  
10 ~~(j) A consolidation of special districts.~~  
11 ~~(k) A merger of a city and a district.~~  
12 ~~(l) Establishment of a subsidiary district.~~  
13 ~~(m) The exercise of new or different functions or classes of~~  
14 ~~services, or divestiture of the power to provide particular functions~~  
15 ~~or classes of services, within all or part of the jurisdictional~~  
16 ~~boundaries of a special district as provided in Article 1.5~~  
17 ~~(commencing with Section 56824.10) of Chapter 5 of Part 3 of~~  
18 ~~this division.~~  
19 ~~(n) The exercise of new or extended fire protection services~~  
20 ~~outside a public agency's current service area by contract or~~  
21 ~~agreement, as authorized by Chapter 4 (commencing with Section~~  
22 ~~55600) of Part 2 of Division 2 of Title 5 of this code or Article 4~~  
23 ~~(commencing with Section 4141) of Chapter 1 of Part 2 of Division~~  
24 ~~4 of the Public Resources Code, as provided in Article 1.6~~  
25 ~~(commencing with Section 56824.20) of Chapter 5 of Part 3 of~~  
26 ~~Division 3 of Title 5 of this code.~~  
27 ~~SEC. 2. Section 56654 of the Government Code is amended~~  
28 ~~to read:~~  
29 ~~56654. (a) A proposal for a change of organization or a~~  
30 ~~reorganization may be made by the adoption of a resolution of~~  
31 ~~application by the legislative body of an affected local agency,~~  
32 ~~except as provided in subdivision (b).~~  
33 ~~(b) (1) Notwithstanding Section 56700, a proposal for a change~~  
34 ~~of organization that involves the exercise of new or different~~  
35 ~~functions or classes of services, or the divestiture of the power to~~  
36 ~~provide particular functions or classes of services, within all or~~  
37 ~~part of the jurisdictional boundaries of a special district, shall only~~  
38 ~~be initiated by the legislative body of that special district in~~  
39 ~~accordance with Article 1.5 (commencing with Section 56824.10)~~  
40 ~~of Chapter 5.~~

1     ~~(2) Notwithstanding Section 56700, a proposal for a change of~~  
2     ~~organization that involves the exercise of new or extended services~~  
3     ~~outside a public agency's current service area by contract or~~  
4     ~~agreement, as defined in subdivision (n) of Section 56021, shall~~  
5     ~~only be initiated in accordance with Article 1.6 (commencing with~~  
6     ~~Section 56824.20) of Chapter 5.~~

7     ~~(e) At least 21 days before the adoption of the resolution, the~~  
8     ~~legislative body may give mailed notice of its intention to adopt~~  
9     ~~a resolution of application to the commission and to each interested~~  
10    ~~agency and each subject agency. The notice shall generally describe~~  
11    ~~the proposal and the affected territory.~~

12    ~~(d) Except for the provisions regarding signers and signatures,~~  
13    ~~a resolution of application shall contain all of the matters specified~~  
14    ~~for a petition in Section 56700 and shall be submitted with a plan~~  
15    ~~for services prepared pursuant to Section 56653.~~

16    ~~SEC. 3. Section 56800.5 is added to the Government Code, to~~  
17    ~~read:~~

18    ~~56800.5. For a proposal for a change of organization that~~  
19    ~~involves the exercise of new or extended services outside a public~~  
20    ~~agency's current service area by contract or agreement, as defined~~  
21    ~~in subdivision (n) of Section 56021, the executive officer shall~~  
22    ~~prepare, or cause to be prepared by contract, a comprehensive~~  
23    ~~fiscal analysis. This analysis shall become part of the report~~  
24    ~~required pursuant to Section 56665. Data used for the analysis~~  
25    ~~shall be from the most recent fiscal year for which data are~~  
26    ~~available, preceding the issuance of the certificate of filing. When~~  
27    ~~data requested by the executive officer in the notice of affected~~  
28    ~~agencies are unavailable, the analysis shall document the source~~  
29    ~~and methodology of the data used. The analysis shall review and~~  
30    ~~document each of the following:~~

31    ~~(a) The costs to the public agency that has proposed to provide~~  
32    ~~new or extended services during the three fiscal years following~~  
33    ~~a public agency entering into a contract to provide new or extended~~  
34    ~~services outside its current service area by contract or agreement,~~  
35    ~~in accordance with the following requirements:~~

36    ~~(1) The executive officer shall include all direct and indirect~~  
37    ~~cost impacts to the existing service provider in the affected~~  
38    ~~territory.~~

39    ~~(2) The executive officer shall review how the costs of the~~  
40    ~~existing service provider compare to the costs of services provided~~

1 in-service areas with similar populations and of similar geographic  
2 size that provide a similar level and range of services and shall  
3 make a reasonable determination of the costs expected to be borne  
4 by the public agency providing new or extended services.

5 (b) The revenues of the public agency that has proposed a new  
6 or extended service outside its current service area during the three  
7 fiscal years following the effective date of a contract or agreement  
8 with another public agency to provide a new or extended service.

9 (c) The effects on the costs and revenues of any affected public  
10 agency, including the public agency proposing to provide the new  
11 or extended service, during the three fiscal years that the new or  
12 extended service will be provided.

13 (d) Any other information and analysis needed to make the  
14 findings required by Section 56824.24.

15 SEC. 4. Section 56824.10 of the Government Code is amended  
16 to read:

17 56824.10. Commission proceedings for the exercise of new or  
18 different functions or classes of services or divestiture of the power  
19 to provide particular functions or classes of services, within all or  
20 part of the jurisdictional boundaries of a special district, pursuant  
21 to paragraph (1) of subdivision (b) of Section 56654, may be  
22 initiated by a resolution of application in accordance with this  
23 article.

24 SEC. 5. Section 56824.12 of the Government Code is amended  
25 to read:

26 56824.12. (a) A proposal by a special district to provide a new  
27 or different function or class of services or divestiture of the power  
28 to provide particular functions or classes of services, within all or  
29 part of the jurisdictional boundaries of a special district, pursuant  
30 to paragraph (1) of subdivision (b) of Section 56654, shall be made  
31 by the adoption of a resolution of application by the legislative  
32 body of the special district and shall include all of the matters  
33 specified for a petition in Section 56700, except paragraph (6) of  
34 subdivision (a) of Section 56700, and be submitted with a plan for  
35 services prepared pursuant to Section 56653. The plan for services  
36 for purposes of this article shall also include all of the following  
37 information:

38 (1) The total estimated cost to provide the new or different  
39 function or class of services within the special district's  
40 jurisdictional boundaries.

~~(2) The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The estimated costs may be identified by customer class.~~

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

~~(4) A written summary of whether the new or different function or class of services or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district, pursuant to paragraph (1) of subdivision (b) of Section 56654, will involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services.~~

~~(5) A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.~~

~~(6) Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.~~

~~(b) The clerk of the legislative body adopting a resolution of application shall file a certified copy of that resolution with the executive officer. Except as provided in subdivision (c), the commission shall process resolutions of application adopted pursuant to this article in accordance with Section 56824.14.~~

~~(c) (1) Prior to submitting a resolution of application pursuant to this article to the commission, the legislative body of the special district shall conduct a public hearing on the resolution. Notice of the hearing shall be published pursuant to Sections 56153 and 56154.~~

~~(2) Any affected local agency, affected county, or any interested person who wishes to appear at the hearing shall be given an opportunity to provide oral or written testimony on the resolution.~~

~~SEC. 6. Article 1.6 (commencing with Section 56824.20) is added to Chapter 5 of Part 3 of Division 3 of Title 5 of the Government Code, to read:~~

Article 1.6. Fire Protection Services

~~56824.20. Commission proceedings pursuant to paragraph (2) of subdivision (b) of Section 56654 may be initiated in accordance with this article.~~

~~56824.22. (a) A proposal for a change of organization that involves the exercise of new or extended services outside a public agency's current service area by contract or agreement, as defined in subdivision (n) of Section 56021, shall be made by the adoption of a resolution of application as follows:~~

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

~~(2) In the case of a public agency that is a state agency, the proposal shall be initiated by the director of the state agency proposing to provide new or extended services outside the agency's current service area and be approved by the Governor.~~

~~(b) Prior to submitting a resolution of application pursuant to this article to the commission, the legislative body of a public agency or the director of a state agency shall do all of the following:~~

~~(1) Obtain and submit with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed change of organization.~~

~~(2) Conduct a public hearing on the resolution. Notice of the hearing shall be published pursuant to Sections 56154 and 56156. The legislative body of the public agency or the director of the state agency shall provide an affected public agency or an interested person who wishes to appear at the hearing the opportunity to present oral or written testimony on the resolution.~~

~~(c) A proposal for a change of organization submitted pursuant to this article shall be submitted with a plan for services prepared pursuant to Section 56653. The plan for services shall include all of the following information:~~

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

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

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

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

~~(5) Alternatives for the exercise of the new or extended services in the affected territory.~~

~~(d) The clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application pursuant to this article shall file a certified copy of the resolution with the executive officer. The commission shall process resolutions of application adopted pursuant to this chapter in accordance with Section 56824.24.~~

~~56824.24. (a) The commission shall review and approve or disapprove a proposal for a change of organization as defined in subdivision (n) of Section 56021 after a public hearing called and held for that purpose. The commission shall not consider or approve a proposal that does not comply with the requirements of subdivision (b) of Section 56824.22.~~

~~(b) (1) The commission shall not approve a proposal for a change of organization as defined in subdivision (n) of Section 56021 unless the commission determines that the public agency will have sufficient revenues to carry out the exercise of the new or extended services outside its current area, except as specified in paragraph (2).~~

~~(2) The commission may approve a proposal for a change of organization as defined in subdivision (n) of Section 56021 where the commission has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that if the revenue sources pursuant to Section 56886 are not approved, the authority of the public agency to provide new or extended services shall not be exercised.~~

~~(c) Notwithstanding Section 56375, the commission shall not approve a proposal for a change of organization as defined in~~



1 ~~subdivision (n) of Section 56021 unless the commission finds,~~  
2 ~~based on the entire record, all of the following:~~

3 ~~(1) The proposed exercise of new or extended services outside~~  
4 ~~a public agency's current service area is consistent with the intent~~  
5 ~~of this division, including, but not limited to, the policies of~~  
6 ~~Sections 56001 and 56300.~~

7 ~~(2) The commission has reviewed the comprehensive fiscal~~  
8 ~~analysis prepared pursuant to Section 56800.5.~~

9 ~~(3) The commission has reviewed the executive officer's report~~  
10 ~~and recommendation prepared pursuant to Section 56665 and any~~  
11 ~~testimony presented at the public hearing.~~

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

17 ~~(d) At least 21 days prior to the date of the hearing, the executive~~  
18 ~~officer shall give mailed notice of that hearing to each affected~~  
19 ~~local agency or affected county, and to any interested party who~~  
20 ~~has filed a written request for notice with the executive officer. In~~  
21 ~~addition, at least 21 days prior to the date of that hearing, the~~  
22 ~~executive officer shall cause notice of the hearing to be published~~  
23 ~~in accordance with Section 56153 in a newspaper of general~~  
24 ~~circulation that is circulated within the territory affected by the~~  
25 ~~proposal proposed to be adopted and shall post the notice of the~~  
26 ~~hearing on the commission's Internet Web site.~~

27 ~~(e) The commission may continue from time to time any hearing~~  
28 ~~called pursuant to this section. The commission shall hear and~~  
29 ~~consider oral or written testimony presented by any affected local~~  
30 ~~agency, affected county, or any interested person who appears at~~  
31 ~~any hearing called and held pursuant to this section.~~

32 *SECTION 1. Section 56017.2 of the Government Code is*  
33 *amended to read:*

34 56017.2. "Application" means any of the following:

35 (a) A resolution of application or petition initiating a change of  
36 organization or reorganization with supporting documentation as  
37 required by the commission or executive officer.

38 (b) A request for a sphere of influence amendment or update  
39 pursuant to Section 56425.

1 (c) A request by a city or district for commission approval of  
2 an extension of services outside the agency's jurisdictional  
3 boundaries pursuant to Section ~~56133~~, 56133 or 56134.

4 SEC. 2. Section 56133 of the Government Code is amended to  
5 read:

6 56133. (a) A city or district may provide new or extended  
7 services by contract or agreement outside its jurisdictional  
8 boundaries only if it first requests and receives written approval  
9 from the commission in the affected county.

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

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

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

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

27 (d) The executive officer, within 30 days of receipt of a request  
28 for approval by a city or district of a contract to extend services  
29 outside its jurisdictional boundary, shall determine whether the  
30 request is complete and acceptable for filing or whether the request  
31 is incomplete. If a request is determined not to be complete, the  
32 executive officer shall immediately transmit that determination to  
33 the requester, specifying those parts of the request that are  
34 incomplete and the manner in which they can be made complete.  
35 When the request is deemed complete, the executive officer shall  
36 place the request on the agenda of the next commission meeting  
37 for which adequate notice can be given but not more than 90 days  
38 from the date that the request is deemed complete, unless the  
39 commission has delegated approval of those requests to the  
40 executive officer. The commission or executive officer shall

1 approve, disapprove, or approve with conditions the contract for  
2 extended services. If the contract is disapproved or approved with  
3 conditions, the applicant may request reconsideration, citing the  
4 reasons for reconsideration.

5 (e) This section does not apply to ~~contracts~~ *any of the following*:

6 (1) *Contracts* or agreements solely involving two or more public  
7 agencies where the public service to be provided is an alternative  
8 to, or substitute for, public services already being provided by an  
9 existing public service provider and where the level of service to  
10 be provided is consistent with the level of service contemplated  
11 by the existing service provider. ~~This section does not apply to~~  
12 ~~contracts~~

13 (2) *Contracts* for the transfer of nonpotable or nontreated water.  
14 ~~This section does not apply to contracts~~

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

24 (4) *An* extended service that a city or district was providing on  
25 or before January 1, 2001. ~~This section does not apply to a~~

26 (5) A local publicly owned electric utility, as defined by Section  
27 9604 of the Public Utilities Code, providing electric services that  
28 do not involve the acquisition, construction, or installation of  
29 electric distribution facilities by the local publicly owned electric  
30 utility, outside of the utility's jurisdictional boundaries.

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

33 *SEC. 3. Section 56134 is added to the Government Code, to*  
34 *read:*

35 *56134. (a) (1) For the purposes of this section, "fire protection*  
36 *reorganization contract" means a contract or agreement for the*  
37 *exercise of new or extended fire protection services outside a public*  
38 *agency's current service area, as authorized by Chapter 4*  
39 *(commencing with Section 55600) of Part 2 of Division 2 of Title*  
40 *5 of this code or by Article 4 (commencing with Section 4141) of*

1 *Chapter 1 of Part 2 of Division 4 of the Public Resources Code,*  
2 *that does either of the following:*

3 *(A) Transfers responsibility for providing services in more than*  
4 *25 percent of the service area of any public agency affected by the*  
5 *contract or agreement.*

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

9 *(2) A contract or agreement for the exercise of new or extended*  
10 *fire protection services outside a public agency's current service*  
11 *area, as authorized by Chapter 4 (commencing with Section 55600)*  
12 *of Part 2 of Division 2 of Title 5 of this code or Article 4*  
13 *(commencing with Section 4141) of Chapter 1 of Part 2 of Division*  
14 *4 of the Public Resources Code, that, in combination with other*  
15 *contracts or agreements, would produce the results described in*  
16 *subparagraph (A) or (B) of paragraph (1), shall be deemed a fire*  
17 *protection reorganization contract for the purposes of this section.*

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

23 *(c) A request by a public agency for commission approval of*  
24 *services provided under a fire protection reorganization contract*  
25 *shall be made by the adoption of a resolution of application as*  
26 *follows:*

27 *(1) In the case of a public agency that is not a state agency, the*  
28 *application shall be initiated by the adoption of a resolution of*  
29 *application by the legislative body of the public agency proposing*  
30 *to provide new or extended services outside the public agency's*  
31 *current service area.*

32 *(2) In the case of a public agency that is a state agency, the*  
33 *application shall be initiated by the director of the state agency*  
34 *proposing to provide new or extended services outside the agency's*  
35 *current service area and be approved by the Governor.*

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

39 *(1) The public agency obtains and submits with the resolution*  
40 *a written agreement validated and executed by each affected public*

1 agency and recognized employee organization that represents  
2 firefighters of the existing and proposed service providers  
3 consenting to the proposed change of organization.

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

10 (e) A resolution of application submitted pursuant to this section  
11 must be submitted with a fire services reorganization contract plan  
12 that conforms to the requirements of Section 56653. The plan shall  
13 include all of the following information:

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

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

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

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

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

25 (f) The applicant shall cause to be prepared by contract an  
26 independent comprehensive fiscal analysis to be submitted with  
27 the application pursuant to this section. The analysis shall review  
28 and document:

29 (1) The costs to the public agency that has proposed to provide  
30 new or extended fire protection services during the three fiscal  
31 years following a public agency entering into a fire protection  
32 reorganization contract, in accordance with the following  
33 requirements:

34 (A) The analysis must include all direct and indirect cost impacts  
35 to the existing service provider in the affected territory.

36 (B) The analysis must review how the costs of the existing  
37 service provider compare to the costs of services provided in  
38 service areas with similar populations and of similar geographic  
39 size that provide a similar level and range of services and shall  
40 make a reasonable determination of the costs expected to be borne

1 *by the public agency providing new or extended fire protection*  
2 *services.*

3 *(2) The revenues of the public agency that has proposed a new*  
4 *or extended fire protection services outside its current service area*  
5 *during the three fiscal years following the effective date of a*  
6 *contract or agreement with another public agency to provide a*  
7 *new or extended service.*

8 *(3) The effects on the costs and revenues of any affected public*  
9 *agency, including the public agency proposing to provide the new*  
10 *or extended fire protection services, during the three fiscal years*  
11 *that the new or extended fire protection services will be provided.*

12 *(4) Any other information and analysis needed to support the*  
13 *findings required by subdivision (j).*

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

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

32 *(2) The commission shall approve, disapprove, or approve with*  
33 *conditions the contract for extended services following the hearing*  
34 *at the commission meeting, as provided in paragraph (1). If the*  
35 *contract is disapproved or approved with conditions, the applicant*  
36 *may request reconsideration, citing the reasons for*  
37 *reconsideration.*

38 *(i) (1) The commission shall not approve an application for*  
39 *approval of a fire protection reorganization contract unless the*  
40 *commission determines that the public agency will have sufficient*

1 revenues to carry out the exercise of the new or extended fire  
2 protection services outside its current area, except as specified in  
3 paragraph (2).

4 (2) The commission may approve an application for approval  
5 of a fire protection reorganization contract where the commission  
6 has determined that the public agency will not have sufficient  
7 revenue to provide the proposed new or different functions or class  
8 of services, if the commission conditions its approval on the  
9 concurrent approval of sufficient revenue sources pursuant to  
10 Section 56886. In approving a proposal, the commission shall  
11 provide that, if the revenue sources pursuant to Section 56886 are  
12 not approved, the authority of the public agency to provide new  
13 or extended fire protection services shall not be exercised.

14 (j) The commission shall not approve an application for  
15 approval of a fire protection reorganization contract unless the  
16 commission finds, based on the entire record, all of the following:

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

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

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

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

30 (k) At least 21 days prior to the date of the hearing, the executive  
31 officer shall give mailed notice of that hearing to each affected  
32 local agency or affected county, and to any interested party who  
33 has filed a written request for notice with the executive officer. In  
34 addition, at least 21 days prior to the date of that hearing, the  
35 executive officer shall cause notice of the hearing to be published  
36 in accordance with Section 56153 in a newspaper of general  
37 circulation that is circulated within the territory affected by the  
38 proposal proposed to be adopted and shall post the notice of the  
39 hearing on the commission's Internet Web site.

1     *(l) The commission may continue from time to time any hearing*  
2     *called pursuant to this section. The commission shall hear and*  
3     *consider oral or written testimony presented by any affected local*  
4     *agency, affected county, or any interested person who appears at*  
5     *any hearing called and held pursuant to this section.*

6     ~~SEC. 7.~~

7     SEC. 4. The Legislature finds and declares that Section-6 3 of  
8     this act, which adds Section-56824.22 56134 to the Government  
9     Code, furthers, within the meaning of paragraph (7) of subdivision  
10    (b) of Section 3 of Article I of the California Constitution, the  
11    purposes of that constitutional section as it relates to the right of  
12    public access to the meetings of local public bodies or the writings  
13    of local public officials and local agencies. Pursuant to paragraph  
14    (7) of subdivision (b) of Section 3 of Article I of the California  
15    Constitution, the Legislature makes the following findings:

16    This act provides for notice *to the public* in accordance with  
17    existing provisions of the Cortese-Knox-Hertzberg Local  
18    Government Reorganization Act of 2000 and will ensure that the  
19    right of public access to local agency meetings is protected.