

Public Resources Code, Chapter 4, Recreation and Park Districts (§5780 through 5791.7.)

5780. (a) This chapter shall be known and may be cited as the Recreation and Park District Law.

(b) The Legislature finds and declares that recreation, park, and open-space facilities and services are important to improving and protecting the quality of life for all Californians. The Legislature further finds and declares that the provision of recreation, park, and open-space facilities and services are essential services which are important to the public peace, health, and welfare of California residents. Among the ways in which local communities have provided these facilities and services has been the creation and operation of recreation and park districts. For at least seven decades, state laws have authorized recreation and park districts to provide recreation programs, local parks, and open spaces. Local officials have used this statutory authority to serve the diversity of California's communities and residents. In enacting this chapter, it is the intent of the Legislature to create and continue a broad statutory authority for a class of special districts that provides community recreation, park, and open-space facilities and recreation services within specified boundaries and under local control. It is also the intent of the Legislature that recreation and park districts cooperate with other public agencies and private organizations to deliver those facilities and services. Further, the Legislature encourages local communities and local officials to adapt the powers and procedures provided by this chapter to meet the diversity of their own local circumstances and responsibilities.

5780.1. As used in this chapter:

(a) "Board of directors" means the board of directors of a district.

(b) "City" means any city whether general law or charter, including a city and county, and including any city the name of which includes the word "town."

(c) "Community recreation" means recreation facilities and services engaged in under the control of a district.

(d) "District" means a recreation and park district created pursuant to this chapter or any of its statutory predecessors.

(e) "Local agency" means a city, county, city and county, special district, school district, community college district, community redevelopment agency, joint powers agency, or any other political subdivision of the state.

(f) "Principal county" means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district.

(g) "Recreation" means any voluntary activity which contributes to the education, entertainment, or cultural, mental, moral, or physical development of the individual, group, or community that attends, observes, or participates. "Recreation" includes, but is not limited to, any activity in the fields of art, athletics, drama,

habitat conservation, handicrafts, literature, music, nature study, open-space conservation, science, sports, and any formal or informal play that includes these activities.

(h) "Recreation facility" means an area, place, structure, or other facility under the jurisdiction of a public agency that is used either permanently or temporarily for community recreation, even though it may be used for other purposes. "Recreation facility" includes, but is not limited to, an arts and crafts room, auditorium, beach, camp, community center, golf course, gymnasium, lake, meeting place, open space, park, parkway, playground, playing court, playing field, recreational reservoir, river, and swimming pool. A recreation facility may be owned or operated jointly by a district and other public agencies.

(i) "Voter" means a voter as defined by Section 359 of the Elections Code.

(j) "Zone" means a zone formed pursuant to Article 12 (commencing with Section 5791).

5780.3. (a) This chapter provides the authority for the organization and powers of recreation and park districts. This chapter succeeds the former Chapter 4 (commencing with Section 5780) as added by Chapter 2165 of the Statutes of 1957, as subsequently amended, and any of its statutory predecessors.

(b) Any recreation and park district organized or reorganized pursuant to the former Chapter 4 or any of its statutory predecessors which was in existence on January 1, 2002, shall remain in existence as if it had been organized pursuant to this part. Any zone of a recreation and park district formed pursuant to the former Article 10 (commencing with Section 5788) of the former Chapter 4 or any of its statutory predecessors which was in existence on January 1, 2002, shall remain in existence as if it had been formed pursuant to this chapter.

(c) Any general obligation bond, special tax, benefit assessment, fee, election, ordinance, resolution, regulation, rule, or any other action of a district taken pursuant to the former Chapter 4 or any of its statutory predecessors which was taken before January 1, 2002, shall not be voided solely because of any error, omission, informality, misnomer, or failure to comply strictly with this chapter.

5780.5. This chapter is necessary for the public health, safety, and welfare, and shall be liberally construed to effectuate its purposes.

5780.7. If any provision of this chapter or the application of any provision of this chapter in any circumstance or to any person, city, county, 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.

5780.9. Any action to determine the validity of the organization of or of any action of a district shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

5781. Except as provided in this section, territory, whether incorporated or unincorporated, whether contiguous or noncontiguous, may be included in a district. Territory that is already within a recreation and park district organized pursuant to this chapter shall not be included within another recreation and park district.

5781.1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5 of the Government Code, shall govern any change of organization or reorganization of a district.

5782. A new district may be formed pursuant to this article.

5782.1. (a) A proposal to form a new district may be made by petition. The petition shall do all of the things required by Section 56700 of the Government Code. In addition, the petition shall do all of the following:

(1) Set forth the methods by which the district will be financed, including, but not limited to, special taxes, benefit assessments, and fees.

(2) Propose a name for the district.

(3) Specify the method of selecting the initial board of directors, as provided in Article 4 (commencing with Section 5783).

(4) Specify whether the district will have the power of eminent domain.

(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 3 of Title 5 of the Government Code. In the case of any conflict between that chapter and this article, the provisions of this article shall prevail.

(c) The petition shall be signed by not less than 25 percent of the registered voters residing in the area to be included in the district, as determined by the local agency formation commission.

5782.3. (a) Before circulating any petition, the proponents shall publish a notice of intention that shall include a written statement

not to exceed 500 words in length, setting forth the reasons for forming the district and the methods by which the district will be financed. The notice shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the territory proposed to be included in the district. If the territory proposed to be included in the district is located in more than one county, publication of the notice shall be made in at least one newspaper of general circulation in each of the counties.

(b) The notice shall be signed by a representative of the proponent, 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 proposing to form the _____ (name of the district). The reasons for forming the proposed district are: _____. The method(s) by which the proposed district will be financed are _____."

(c) Within five days after the date of publication, the proponent shall file with the executive officer of the local agency formation commission of the principal county a copy of the notice together with an affidavit made by a representative of the newspaper in which the notice was published certifying to the fact of the publication.

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

5782.5. (a) A proposal to form a new district may also be made by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. Except for the provisions regarding the signers, signatures, and the proponents, a resolution of application shall contain all of the matters specified for a petition in Section 5782.1.

(b) Before adopting a resolution of application, the legislative body shall hold a public hearing on the resolution. Notice of the hearing shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the county or city. At least 20 days before the hearing, the legislative body shall give mailed notice of its hearing to the executive officer of the local agency formation commission of the principal county. The notice shall generally describe the proposed formation of the district and the territory proposed to be included in the district.

(c) At the hearing, the legislative body shall give any person an opportunity to present his or her views on the resolution.

(d) The clerk of the legislative body shall file a certified copy of the resolution of application with the executive officer of the local agency formation commission of the principal county.

5782.7. (a) Once the proponents have filed a sufficient petition or a legislative body has filed a resolution of application, the local agency formation commission shall proceed pursuant to Part 3 (commencing with Section 56650) and, notwithstanding Section 57007 of

the Government Code, pursuant to Part 4 (commencing with Section 57000) of Division 3 of Title 5 of the Government Code.

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

(c) Notwithstanding subdivision (b), a local agency formation commission may approve a proposal that includes the formation of a district where the commission has determined that the proposed district will not have sufficient revenue provided that the commission conditions its approval on the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues. The commission shall provide that if the voters or property owners do not approve the special taxes or benefit assessments, the proposed district shall not be formed.

5783. The initial board of directors of a district formed on or after January 1, 2002, shall be determined pursuant to this article.

5783.1. In the case of a district that contains only unincorporated territory in a single county, the board of directors may be elected or may be appointed by the county board of supervisors which may appoint itself as the district board.

5783.3. In the case of a district that contains only unincorporated territory in more than one county, the board of directors may be elected or may be appointed by the boards of supervisors of the counties in which the district is located. If the board of directors is appointed by the county boards of supervisors, the boards of supervisors shall appoint directors according to the proportionate share of population of that portion of each county within the district, provided that each board of supervisors shall appoint at least one director.

5783.5. In the case of a district that contains unincorporated territory and the territory of one or more cities:

(a) The board of directors may be elected or appointed by the county board of supervisors and the city councils in which the district is located. If the board of directors is to be appointed, the board of supervisors and the city council or councils shall appoint directors according to the proportionate share of population of that portion of the county and each city within the district, provided that the board of supervisors and each city council shall appoint at least one director. The board of supervisors or city council may appoint one or more of its members to the district board.

(b) Notwithstanding subdivision (a), the county board of supervisors may appoint itself as the board of directors, if the city council of each of the cities consents by resolution.

5783.7. In the case of a district that includes only incorporated territory within a single city, the board of directors may be elected or appointed by the city council which may appoint itself as the board of directors.

5783.9. In the case of a district that includes only incorporated territory in more than one city, the board of directors may be elected or appointed by the city councils in which the district is located. If the board of directors is appointed, the city councils shall appoint directors according to the proportionate share of population of that portion of each city within the district, provided that each city council shall appoint at least one director. The city council may appoint one or more of its own members to the district board.

5783.11. (a) In the case of a district where the initial board of directors is to be elected, the elections and the terms of office shall be determined pursuant to the Uniform District Election Law, Part 4 (commencing with Section 10500) of Division 10 of the Elections Code.

(b) In the case of a district where the initial board of directors is to be elected, the directors may be elected (1) at large, (2) by divisions, or (3) from divisions.

5783.13. In the case of a district where the initial board of directors is to be appointed, the county board of supervisors or the city council that appoints the board of directors shall specify either of the following:

(a) The persons appointed to the board of directors shall serve fixed terms. The directors appointed to the initial board of directors shall classify themselves by lot into two classes, as nearly equal in number as possible, and the terms of office of the class having the greater number shall be four years and the terms of office of the class having the lesser number shall be two years.

(b) The persons appointed to the board of directors shall serve at the pleasure of the county board of supervisors or the city council which made the appointments.

5784. (a) A legislative body known as the board of directors shall govern every district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the faithful implementation of those policies which is the responsibility of the employees of the district.

(b) Except as provided in this article, the board of directors consists of five members.

(c) No person shall be a candidate for or be appointed to the board of directors unless he or she is a voter of the district or the proposed district.

(d) Service on a municipal advisory council established pursuant to Section 31010 of the Government Code shall not be considered an incompatible office with service as an elected member of a board of directors.

5784.1. Notwithstanding any other provision of law, if on December 31, 2001, a member of the board of directors was elected or appointed as a voter of this state and is an owner of real property within the district, pursuant to the former Section 5783.3, that person may continue to serve on that board of directors for the remainder of the term for which he or she was elected or appointed, and that person may be elected or appointed to that board of directors in the future after that term ends, provided that the person continues to be a voter of this state and an owner of real property within the district.

5784.2. (a) Notwithstanding any other provision of law, a local agency formation commission, in approving either a consolidation of districts or the reorganization of two or more districts into a single recreation and park district, pursuant to subdivisions (k) and (n) of Section 56886 of the Government Code, may temporarily increase the number of directors to serve on the board of directors of the consolidated or reorganized district to seven or nine, who shall be members of the board of directors of the districts to be consolidated or reorganized as of the effective date of the consolidation or reorganization.

(b) Upon the expiration of the terms of the members of the board of directors of the consolidated or reorganized district, whose terms first expire following the effective date of the consolidation or reorganization, the total number of members on the board of directors shall be reduced until the number equals five members.

(c) In addition to the powers granted under Section 1780 of the Government Code, in the event of a vacancy on the board of directors of the consolidated or reorganized district at which time the total number of directors is greater than five, the board of directors may, by majority vote of the remaining members of the board, choose not to fill the vacancy. In that event, the total membership of the board of directors shall be reduced by one board member.

(d) For the purposes of this section, the following definitions apply:

(1) "Consolidation" means consolidation as defined in Section 56030 of the Government Code.

(2) "District" or "special district" means district or special district as defined in Section 56036 of the Government Code.

(3) "Reorganization" means reorganization as defined in Section

5784.3. (a) The term of office of each member of a board of directors who has been elected or appointed to a fixed term is four years. Directors shall take office at noon on the first Friday in December following their election or their appointment to a fixed term.

(b) Notwithstanding subdivision (a), in the case of a district formed on or after January 1, 2002, the directors shall serve the terms determined pursuant to Section 5783.11.

(c) Any vacancy in the office of a member appointed to a board of directors shall be filled pursuant to Section 1779 of the Government Code.

(d) Any vacancy in the office of a member elected to a board of directors shall be filled pursuant to Section 1780 of the Government Code.

5784.5. If a county board of supervisors or a city council has appointed itself as the board of directors, the board of supervisors or city council may delegate any or all of its powers to a recreation and park commission composed of five commissioners. In the case of a district governed by a board of supervisors, the commissioners may be council members of cities that are located in the district. The board of supervisors or city council shall determine whether the commissioners shall serve at its pleasure or for staggered terms of four years, subject to removal for cause. A commissioner shall be a voter of the district.

5784.7. (a) Within 45 days after their first election and after each general district election or unopposed election, or at the beginning of each new term for members of an appointed board, the board of directors shall meet and elect its officers.

(b) The officers of a board of directors are a chair and vice chair. A board of directors may create additional officers and elect members to those positions, provided that no member of a board of directors shall hold more than one office.

(c) The board of directors may appoint one of its members as secretary. The board of directors may also employ a clerk to perform the duties of the secretary. If the board of directors does not appoint a secretary, the clerk shall perform the duties of the secretary.

(d) In the case of a district that includes only incorporated territory within a single city, the city treasurer shall act as the district treasurer and shall receive no compensation for the receipt and disbursement of money of the district. In all other cases, the county treasurer of the principal county shall act as the district treasurer and shall receive no compensation for the receipt and

disbursement of money of the district.

5784.9. (a) Notwithstanding Section 5784.7, a district may establish an alternative depository pursuant to this section.

(b) The board of directors may adopt a resolution to designate a bank or a savings and loan association as the depository of any or all of its funds. The board of directors and the board of supervisors of the principal county shall determine a mutually acceptable date for the transfer of the district's funds to that depository, not to exceed 15 months from the date on which the board of directors adopted its resolution.

(c) If the board of directors does not designate that depository for all of its funds, the board of directors shall designate what funds are to be deposited in that depository. The county treasurer shall be the depository for all funds not so designated.

(d) The charges of any depository designated pursuant to this section shall be a proper expense of the district.

(e) The board of directors shall appoint a person who shall be known as the finance officer, who shall serve at the pleasure of the board of directors. The finance officer may be a member of the board of directors, the general manager, or the office of finance officer may be consolidated with the office of secretary. The board of directors shall fix the amount of the finance officer's compensation. The board of directors shall fix the amount of and approve the finance officer's bond.

(f) Bond principal and interest and salaries shall be paid when due. Except as provided in subdivision (g), the board of directors shall approve all other claims and demands in an open meeting by a majority of the members of the board of directors.

(g) Warrants drawn in payment of claims and demands approved by the finance officer as conforming to an approved budget need not be approved by the board of directors prior to payment. These claims and demands shall be presented to the board of directors for ratification and approval in the audited comprehensive annual financial report.

(h) The finance officer shall draw the warrants. The warrants shall be signed by either the chair of the board of directors or another member of the board, and by either the secretary or the general manager. The board of directors, by ordinance or resolution, may prescribe an alternative method of drawing and signing warrants, provided that the method adheres to generally accepted accounting principles.

(i) The finance officer shall install and maintain a system of auditing and accounting that shall completely and at all times show the financial condition of the district.

(j) The finance officer shall make annual or more frequent written reports to the board of directors, as the board shall determine, regarding the receipts and disbursements and balances in the accounts that are controlled by the finance officer. The finance officer shall sign the reports and file them with the secretary.

(k) A bank or savings and loan association may act as a depository, paying agent, or fiscal agent for the holding or handling of the district's funds, notwithstanding the fact that a member of the board of directors whose funds are on deposit in that bank or savings and loan association is an officer, employee, or stockholder of that bank or savings and loan association, or of a holding company that owns any of the stock of that bank or savings and loan company.

5784.11. A board of directors shall meet at least once every three months. Meetings of the board of directors are subject to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

5784.13. (a) A majority of the board of directors shall constitute a quorum for the transaction of business.

(b) The board of directors shall act only by ordinance, resolution, or motion.

(c) Except as otherwise specifically provided to the contrary in this chapter, a recorded majority vote of the total membership of the board of directors is required on each action.

(d) The board of directors shall keep a record of all its acts, including financial transactions.

(e) The board of directors shall adopt rules for its proceedings.

5784.15. (a) The board of directors may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for attending each meeting of the board. The board of directors, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation received for attending meetings of the board.

(b) The maximum compensation in any calendar month shall be five hundred dollars (\$500).

(c) In addition, members of the board of directors may receive their actual and necessary traveling and incidental expenses incurred while on official business.

(d) A member of the board of directors may waive the compensation.

(e) For the purposes of this section, a meeting of the board of directors includes, but is not limited to, regular meetings, special meetings, closed sessions, emergency meetings, board field trips, district public hearings, or meetings of a committee of the board.

(f) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

5785. (a) In the case of a district with an elected board of directors, the directors may be elected:

- (1) At large.
- (2) By divisions.
- (3) From divisions.

(b) As used in this article:

(1) "By divisions" means the election of each member of the board of directors by voters of the division alone.

(2) "From divisions" means the election of members of the board of directors who are residents of the division from which they are elected by the voters of the entire district.

(c) A board of directors may be elected by any one of the methods described in subdivision (a) if a majority of the voters voting upon the question are in favor of the question at a general district or special election.

(d) The board of directors may adopt a resolution placing the question on the ballot. Alternatively, upon receipt of a petition signed by at least 25 percent of the registered voters of the district, the board of directors shall adopt a resolution placing the question on the ballot.

(e) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

(f) If the majority of voters voting upon the question approves the election of directors either by divisions or from divisions, the board of directors shall promptly adopt a resolution dividing the district into five divisions. The resolution shall assign a number to each division. Using the last decennial census as a basis, the divisions shall be as nearly equal in population as possible. In establishing the boundaries of the divisions, the district board may give consideration to the following factors:

- (1) Topography.
- (2) Geography.
- (3) Cohesiveness, contiguity, integrity, and compactness of territory.
- (4) Community of interests of the divisions.

(g) If the majority of voters voting upon the question approves of the election of directors either by divisions or from divisions, the members of the board of directors shall be elected by divisions or from divisions. Each member elected by division or from division shall be a resident of the election division by which or from which he or she is elected. At the district general election following the approval by the voters of the election of directors either by divisions or from divisions, the board of directors shall assign vacancies on the board of directors created by the expiration of terms to the respective divisions and the vacancies shall be filled either by or from those divisions.

(h) If the majority of voters voting on the question approves of the election of directors at large, the board of directors shall promptly adopt a resolution dissolving the divisions that had existed.

5785.1. (a) In the case of a board of directors elected by divisions or from divisions, the board of directors shall adjust the boundaries of the divisions before November 1 of the year following the year in which each decennial census is taken. If, at any time between each decennial census, a change of organization or reorganization alters the population of the district, the board of directors shall reexamine the boundaries of its divisions. If the board of directors finds that the population of any division has varied so that the divisions no longer meet the criteria specified in subdivision (f) of Section 5785, the board of directors shall adjust the boundaries of the divisions so that the divisions shall be as nearly equal in population as possible. The board of directors shall make this change within 60 days of the effective date of the change of organization or reorganization.

(b) In the case of a board of directors that has been appointed by more than one county board of supervisors or city council, the board of directors shall adjust the proportionate distribution of the appointments before November 1 of the year following the year in which each decennial census is taken. If at any time between each decennial census, a change of organization or reorganization alters the population of the district, the board of directors shall reexamine the proportionate distribution of appointments. If the board of directors finds that the population of the district has varied so that the distribution of appointments is no longer proportionate, the board of directors shall adjust the proportionate distribution of appointments accordingly. The board of directors shall make this change within 60 days of the effective date of the change of organization or reorganization. The county board of supervisors or city council shall appoint members to the board of directors as vacancies occur.

5785.3. (a) If a majority of the voters voting on the question at a general district or special district election are in favor, a district that has an appointed board of directors shall have an elected board of directors, or a district that has an elected board of directors shall have an appointed board of directors.

(b) The board of directors may adopt a resolution placing the question on the ballot. Alternatively, upon receipt of a petition signed by at least 25 percent of the registered voters of the district, the board of directors shall adopt a resolution placing the question on the ballot.

(c) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special

election, the notice of election and ballot shall contain a statement of the question.

(d) If a majority of voters voting upon the question approves of changing from an appointed board of directors to an elected board of directors, the members of the board of directors shall be elected at the next general district election. If a majority of voters voting upon the question approves of changing from an elected board of directors to an appointed board of directors, members shall be appointed to the board of directors as vacancies occur.

5785.5. (a) Before circulating any petition pursuant to Section 5785 or Section 5785.3, the proponents shall publish a notice of intention that shall include a written statement not to exceed 500 words in length, setting forth the reasons for the proposal. The notice shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the district. If the district is located in more than one county, publication of the notice shall be made in at least one newspaper of general circulation in each county.

(b) The notice shall be signed by at least one, but not more than three, proponents 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 affecting the Board of Directors of the _____ (name of the district). The petition proposes that _____ (description of the proposal)."

(c) Within five days after the date of publication, the proponents shall file with the secretary of the board of directors a copy of the notice together with an affidavit made by a representative of the newspaper in which the notice was published certifying to the fact of publication.

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

(e) Sections 100 and 104 of the Elections Code shall govern the signing of the petition and the format of the petition.

(f) A petition may consist of a single instrument or separate counterparts. The proponents shall file the petition, together with all counterparts, with the secretary of the board of directors. The secretary shall not accept a petition for filing unless the signatures have been secured within six months of the date on which the first signature was obtained and the proponents submitted the petition to the secretary for filing within 60 days after the last signature was obtained.

(g) Within 30 days after the date of filing a petition, the secretary of the board of directors shall cause the petition to be examined by the county elections official, in accordance with Sections 9113 to 9115, inclusive, of the Elections Code, and shall prepare a certificate of sufficiency indicating whether the petition is signed by the requisite number of signers.

(h) If the certificate of the secretary shows the petition to be

insufficient, the secretary shall immediately give notice by certified mail of the insufficiency to the proponents. That mailed notice shall state in what amount the petition is insufficient. Within 15 days after the date of the notice of insufficiency, the proponents may file with the secretary a supplemental petition bearing additional signatures.

(i) Within 10 days after the date of filing a supplemental petition, the secretary shall examine the supplemental petition and certify the results in writing of his or her examination.

(j) The secretary shall sign and date a certificate of sufficiency. That certificate shall also state the minimum signature requirements for a sufficient petition and show the results of the secretary's examination. The secretary shall mail a copy of the certificate of sufficiency to the proponents.

(k) Once the proponents have filed a sufficient petition, the board of directors shall take the actions required pursuant to Section 5785 or 5785.3.

5786. A district may:

(a) Organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life.

(b) Establish systems of recreation and recreation facilities, including, but not limited to, parks and open space.

(c) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.

5786.1. A district shall have and may exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of this chapter, including, but not limited to, the following powers:

(a) To sue and be sued.

(b) To acquire any real or personal property within or outside the district, to hold, manage, occupy, dispose of, convey and encumber the property, and to create a leasehold interest in the property for the benefit of the district.

(c) To acquire any real or personal property by eminent domain within the boundaries of the district, pursuant to Section 5786.5.

(d) To appoint necessary employees, to define their qualifications and duties, and to provide a schedule of compensation for performance of their duties.

(e) To engage counsel and other professional services.

(f) To enter into and perform all necessary contracts pursuant to Article 53.5 (commencing with Section 20815) of Chapter 1 of Part 3 of the Public Contract Code.

(g) To borrow money, give security therefor, and purchase on contract, as provided in this chapter.

- (h) To adopt a seal and alter it at pleasure.
- (i) To adopt ordinances following the procedures of Article 7 (commencing with Section 25120) of Chapter 1 of Part 2 of Division 2 of Title 3 of the Government Code.
- (j) To adopt and enforce rules and regulations for the administration, operation, use, and maintenance of the recreation facilities, programs, and services listed in Section 5786.
- (k) 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 of the Government Code.
- (l) To provide insurance pursuant to Part 6 (commencing with Section 989) of Division 3.6 of Title 1 of the Government Code.
- (m) To perform any acts necessary to carry out the provisions of this chapter.

5786.3. When acquiring, improving, or using any real property, a district shall comply with Article 5 (commencing with Section 53090) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, and Article 7 (commencing with Section 65400) of Chapter 1 of Division 1 of Title 7 of the Government Code.

5786.5. (a) If a district was formed without the power of eminent domain, the district shall not exercise eminent domain to acquire any real or personal property, except as provided by subdivision (d).

(b) If a district was formed with the power to acquire any real or personal property by eminent domain within the boundaries of the district, the district shall comply with the requirements of the Eminent Domain Law, Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure.

(c) In addition to the requirements imposed by subdivision (b), before a district may exercise the power of eminent domain, it shall first obtain the approval of the city council if the property is located in incorporated territory or the county board of supervisors if the property is located in unincorporated territory. The district shall notify the property owner of the district's request to the city council or county board of supervisors. The district shall mail the notice to the property owner at least 20 days before the date on which the city council or county board of supervisors will act on the district's request.

(d) (1) If a district was formed with the power to acquire real or personal property by the power of eminent domain, it shall not exercise that power if a majority of the voters voting upon the question are in favor of the question at a general district or special election. If a district was formed without the power to acquire real or personal property by the power of eminent domain, it may exercise that power if a majority of the voters voting upon the question are in favor of the question at a general district or special election.

(2) The board of directors may adopt a resolution placing the question on the ballot. Alternatively, upon receipt of a petition signed by at least 25 percent of the registered voters of the district, the board of directors shall adopt a resolution placing the question on the ballot.

(3) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

(4) Before circulating any petition pursuant to this subdivision, 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 the proposal. The notice shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the district. If the district is located in more than one county, publication of the notice shall be made in at least one newspaper of general circulation in each county.

(5) The notice shall be signed by at least one, but not more than three, proponents 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 affecting power of eminent domain of the _____ (name of the district). The petition proposes that _____ (description of the proposal)."

(6) Within five days after the date of publication, the proponents shall file with the secretary of the board of directors a copy of the notice together with an affidavit made by a representative of the newspaper in which the notice was published certifying to the fact of publication. After the filing, the petition may be circulated for signatures.

(7) Sections 100 and 104 of the Elections Code shall govern the signing of the petition and the format of the petition. A petition may consist of a single instrument or separate counterparts. The proponents shall file the petition, together with all counterparts, with the secretary of the board of directors. The secretary shall not accept a petition for filing unless the signatures have been secured within six months of the date on which the first signature was obtained and the proponents submitted the petition to the secretary for filing within 60 days after the last signature was obtained.

(8) Within 30 days after the date of filing a petition, the secretary of the board of directors shall cause the petition to be examined by the county elections official, in accordance with Sections 9113 to 9115, inclusive, of the Elections Code, and shall prepare a certificate of sufficiency indicating whether the petition is signed by the requisite number of signers.

(9) If the certificate of the secretary shows the petition to be insufficient, the secretary shall immediately give notice by certified mail of the insufficiency to the proponents. That mailed

notice shall state in what amount the petition is insufficient. Within 15 days after the date of the notice of insufficiency, the proponents may file with the secretary a supplemental petition bearing additional signatures.

(10) Within 10 days after the date of filing a supplemental petition, the secretary shall examine the supplemental petition and certify the results in writing of his or her examination.

(11) The secretary shall sign and date a certificate of sufficiency. That certificate shall also state the minimum signature requirements for a sufficient petition and show the results of the secretary's examination. The secretary shall mail a copy of the certificate of sufficiency to the proponents.

(12) Once the proponents have filed a sufficient petition, the board of directors shall adopt the resolution required by paragraph (2).

5786.7. Notwithstanding any other provision of law:

(a) If a majority of the voters voting on the question at a general district or special district election are in favor, the Parker Dam Recreation and Park District may do all of the following:

(1) Purchase or lease electric power from any public agency or private entity for use within the district's boundaries.

(2) Acquire water and water rights and do any act necessary to furnish sufficient water for beneficial use within the district's boundaries.

(3) Sell, dispose of, and distribute water and electric power for use within the district's boundaries.

(4) Provide street lighting facilities and services.

(b) Provided that the authority to exercise these powers is approved by the local agency formation commission and conforms to Article XIII C of the California Constitution, the Camp Meeker Recreation and Park District may exercise the powers of a county water district pursuant to:

(1) Article 1 (commencing with Section 31000) to Article 9 (commencing with Section 31100), inclusive, of Part 5 of Division 12 of the Water Code.

(2) Part 6 (commencing with Section 31300) of Division 12 of the Water Code.

(3) Part 7 (commencing with Section 31650) of Division 12 of the Water Code.

(c) The Coachella Valley Recreation and Park District and the Hesperia Recreation and Park District may provide street lighting facilities and services.

(d) The Lucerne Recreation and Park District may exercise any of the powers, functions, and duties of a fire protection district pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health and Safety Code.

5786.9. (a) A district shall have perpetual succession.

(b) A board of directors may, by a four-fifths vote of its total membership, adopt a resolution to change the name of the district. The resolution shall comply with the requirements of Chapter 23 (commencing with Section 7530) of Division 7 of Title 1 of the Government Code. The board of directors shall not change the name of the district to the name of any living individual. Within 10 days of its adoption, the board of directors shall file a copy of its resolution with the Secretary of State, the county clerk, the board of supervisors, and the local agency formation commission of each county in which the district is located.

(c) A district may destroy a record pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code.

5786.11. (a) A district may cooperate with any city, county, special district, school district, state agency, or federal agency to carry out the purposes and intent of this chapter. To that end, a district may enter into agreements with those other public agencies to do any and all things necessary or convenient in carrying out the purposes and intent of this chapter.

(b) A district may jointly acquire, construct, improve, maintain, and operate recreation facilities and programs of community recreation with any other public agency. Nothing in this chapter shall be construed to prohibit any joint or cooperative action with other public agencies.

5786.13. A district may contract with other public agencies to provide recreation facilities and programs of community recreation within the district's boundaries. A district may contract with other public agencies to provide recreation facilities and programs of community recreation within the boundaries of other public agencies.

5786.15. (a) Each district shall adopt policies and procedures, including bidding regulations, governing the purchase of supplies and equipment. Each district shall adopt these policies and procedures by rule or regulation pursuant to Article 7 (commencing with Section 54201) of Chapter 5 of Division 2 of Title 5 of the Government Code.

(b) A district may request the Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10324 of the Public Contract Code.

(c) A district may request the purchasing agent of the principal county to make purchases of materials, equipment, or supplies on its behalf, pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3 of the Government Code.

(d) A district may request the purchasing agent of the principal county to contract with persons to provide recreation facilities and programs of community recreation, pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3 of the Government Code. The district shall be responsible for and maintain control over those recreational facilities and programs of community recreation.

(e) A district may lease or rent private vehicles or equipment owned by district employees.

5786.17. (a) Violation of any rule, regulation, or ordinance adopted by a board of directors is a misdemeanor punishable pursuant to Section 19 of the Penal Code.

(b) Any citation issued by a district for violation of a rule, regulation, or ordinance adopted by a board of directors may be processed as an infraction pursuant to subdivision (d) of Section 17 of the Penal Code.

(c) To protect property and to preserve the peace at recreation facilities and other property owned or managed by a district, the board of directors may confer on designated uniformed district employees the power to issue citations for misdemeanor and infraction violations of state law, city or county ordinances, or district rules, regulations, or ordinances when the violation is committed within a recreation facility and in the presence of the employee issuing the citation. District employees shall issue citations pursuant to Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.

5786.19. (a) The Meyers-Milias-Brown Act, Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code applies to all districts.

(b) A board of directors may adopt an ordinance establishing an employee relations system which may include, but is not limited to, a civil service system or a merit system.

(c) With the prior permission of the board of supervisors of the principal county, or in the case of a district which contains no unincorporated territory with the prior permission of the city council, a board of directors may adopt an ordinance that makes the employees of the district subject to the employee relations system of the principal county or that city. The board of directors may adopt an ordinance that withdraws the employees of the district from the employee relations system of the principal county or that city. A district in which the employees of the district are subject to the employee relations system of the principal county or that city shall receive employee relations services at cost from the county or city.

5786.21. If a county board of supervisors has appointed itself as

the board of directors and the county has by ordinance provided a civil service system:

(a) A county employee holding a classified civil service position for which eligibility has been established by a competitive examination and certification, and which is similar in grade or class to a district position, shall, at the district's request, be certified by the county civil service commission as being eligible to transfer to and hold that position in the district with the same status and without further examination.

(b) A district employee holding a classified civil service position for which eligibility has been established by a competitive examination and certification, and that is similar in grade or class to a county position, shall, at the county's request, be certified by the county civil service commission as being eligible to transfer to and hold that position in the county with the same status and without further examination.

(c) Any person entitled to participate in promotional examinations for classified civil service positions in either the county or the district shall be entitled to participate in promotional examinations for classified civil service positions for both the county and the district, pursuant to the civil service commission's rules, and to be certified for those positions by the county civil service commission or board of supervisors, and to be appointed to those positions.

5786.23. (a) This section shall apply only to a district where all of the following apply:

(1) The county board of supervisors has appointed itself as the board of directors.

(2) The county has by ordinance provided a civil service system.

(3) The county operates under a freeholders' charter that requires that in the fixing of salaries or wages for county employees subject to the county's civil service system, the board of supervisors shall provide a salary or wage at least equal to the prevailing salary or wage for the same quality of service rendered to private persons under similar employment, if the prevailing salary or wage can be ascertained.

(b) In fixing the salary or wage for district employees subject to the county's civil service system, the board of directors shall provide a salary or wage equal to the salary or wage paid to county employees for the same quality of service.

5786.25. A board of directors may require any employee or officer to be bonded. The district shall pay the cost of the bonds.

5786.27. A board of directors may provide for any programs for the benefit of its employees and members of the board of directors pursuant to Chapter 2 (commencing with Section 53200) of Part 1 of Division 2 of Title 5 of the Government Code.

5786.29. A district may authorize the members of its board of directors and its employees to attend professional or vocational meetings and pay their actual and necessary traveling and incidental expenses while on official business.

5786.31. Whenever the boundaries of a district or a zone change, the district shall comply with Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code.

5787. Except as otherwise provided in this chapter, districts are subject to the Uniform District Election Law, Part 4 (commencing with Section 10500) of Division 10 of the Elections Code.

5787.1. A board of directors may require that the election of members to the board of directors shall be held on the same day as the statewide general election pursuant to Section 10404 of the Elections Code.

5787.3. If the proposition on the question of formation fails, the county or counties shall pay the expenses of the election. If the proposition on the question of formation passes, the expense shall be a charge against the district and repaid to the county or counties from the first moneys collected by the district. The expense of all other elections shall be a charge against the district.

5788. On or before July 1 of each year, the board of directors shall adopt a preliminary budget that shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with Section 1031.1) of, and Article 1 (commencing with Section 1121) of Subchapter 4 of Division 2 of Title 2 of the California Code of Regulations. The board of directors may divide the preliminary budget into categories, including, but not limited to:

- (a) Maintenance and operation.
- (b) Employee compensation.
- (c) Capital outlay.
- (d) Interest and redemption for indebtedness.
- (e) Restricted reserve for capital outlay.
- (f) Restricted reserve for contingencies.
- (g) Unallocated general reserve.

5788.1. (a) On or before July 1 of each year, the board of directors shall publish a notice stating all of the following:

- (1) That it has adopted a preliminary budget that is available for

inspection at a time and place within the district specified in the notice.

(2) The date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

(b) The board of directors shall publish the notice at least two weeks before the hearing in at least one newspaper of general circulation in the district pursuant to Section 6061 of the Government Code.

5788.3. At the time and place specified for the meeting, any person may appear and be heard regarding any item in the budget or regarding the addition of other items. The hearing on the budget may be continued from time to time.

5788.5. On or before August 30 of each year, after making any changes in the preliminary budget, the board of directors shall adopt a final budget. The board of directors shall forward a copy of the final budget to the auditor of each county in which the district is located.

5788.7. At any regular meeting or properly noticed special meeting after the adoption of its final budget, the board of directors may adopt a resolution amending the budget and ordering the transfer of funds between categories, other than transfers from the restricted reserve for capital outlay and the restricted reserve for contingencies.

5788.9. (a) In its annual budget, the board of directors may establish a restricted reserve for capital outlay and a restricted reserve for contingencies. When the board of directors establishes a restricted reserve, it shall declare the exclusive purposes for which the funds in the reserve may be spent. The funds in the restricted reserve shall be spent only for the exclusive purposes for which the board of directors established the restricted reserve. The reserves shall be maintained according to generally accepted accounting principles.

(b) Any time after the establishment of a restricted reserve, the board of directors may transfer any funds to that restricted reserve.

(c) If the board of directors finds that the funds in a restricted reserve are no longer required for the purpose for which the restricted reserve was established, the board of directors may, by a four-fifths vote of the total membership of the board of directors, discontinue the restricted reserve or transfer any funds that are no longer required from the restricted reserve to the district's general

fund.

5788.11. On or before July 1 of each year, the board of directors shall adopt a resolution establishing its appropriations limit 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 of the Government Code.

5788.13. The auditor of each county in which a district is located shall allocate to the district its share of property tax revenue pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

5788.15. On or before July 1 of any year, the city council of a city which is located wholly or partially within a district may adopt a resolution ordering the transfer of funds from the city to the district in an amount equal to the entire or partial amount of property tax revenue that would have been allocated to the district from the territory that is located both in the city and the district. The city shall file certified copies of its resolution with the district and the county auditor. Pursuant to Section 96.8 of the Revenue and Taxation Code, the county auditor shall compute and implement an effective tax rate reduction. A city's decision to pay funds to a district in lieu of property tax revenues is effective only for the fiscal year for which it is made.

5788.17. (a) A district 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 district.

(b) In addition to any other existing authority, a district may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.4 (commencing with Section 53835), 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 of the Government Code.

5788.19. A local agency may loan any of its available funds to a district.

5788.21. (a) A district may acquire any necessary real property by

borrowing money or purchasing on contract pursuant to this section. That indebtedness shall be in addition to any bonded indebtedness authorized by the voters.

(b) The amount of indebtedness shall not exceed an amount equal to two times the actual income from property tax revenues received pursuant to Section 5788.13 for the fiscal year preceding the year in which the indebtedness is incurred. Any indebtedness shall be repaid within 10 years from the date on which it is incurred. An indebtedness shall bear interest at a rate which shall not exceed the rate permitted under Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

(c) Each indebtedness shall be authorized by a resolution adopted by a four-fifths vote of the total membership of the board of directors and shall be evidenced by a promissory note or contract signed by the chair and the secretary or the clerk of the board of directors.

5788.23. (a) All claims for money or damages against a district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code.

(b) All claims against a district shall be audited, allowed, and paid by the board of directors by warrants drawn on the treasurer.

(c) As an alternative to subdivision (b), the board of directors may instruct the county auditor to audit, allow, and draw his or her warrant on the county treasurer for all legal claims presented to him or her and authorized by the board of directors.

(d) The treasurer shall pay the warrants in the order in which they are presented.

(e) If a warrant is presented for payment and the treasurer cannot pay it for want of funds in the account on which it is drawn, the treasurer shall endorse the warrant, "NOT PAID BECAUSE OF INSUFFICIENT FUNDS" and sign his or her name and the date and time the warrant was presented. From that time until it is paid, the warrant bears interest at the maximum rate permitted pursuant to Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

5788.25. (a) The board of directors shall provide for regular audits of the district's accounts and records pursuant to Section 26909 of the Government Code.

(b) The board of directors 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 of the Government Code.

5789. Whenever a board of directors determines that the amount of revenue available to the district or any of its zones is inadequate to meet the costs of providing facilities, programs, and services

pursuant to Section 5786, the board of directors may raise revenues pursuant to this article or any other provision of law.

5789.1. A district may levy special taxes pursuant to:

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

(b) The Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code.

5789.3. A district may levy special benefit assessments consistent with the requirements of Article XIII D of the California Constitution to finance capital improvements, including, but not limited to, special benefit assessments levied pursuant to:

(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 15 (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.

(e) Any other statutory authorization enacted in the future.

5789.5. (a) A board of directors may charge a fee to cover the cost of any service which the district provides or the cost of enforcing any regulation for which the fee is charged. No fee shall exceed the costs reasonably borne by the district in providing the service or enforcing the regulation for which the fee is charged.

(b) Before imposing or increasing any fee for property-related services, a board of directors shall follow the procedures in Section 6 of Article XIII D of the California Constitution.

(c) A board of directors may charge residents or taxpayers of the district a fee authorized by this section which is less than the fee which it charges to nonresidents or nontaxpayers of the district.

(d) A board of directors may authorize district employees to waive the payment, in whole or in part, of a fee authorized by this section when the board of directors determines that payment would not be in the public interest. Before authorizing any waiver, a board of directors shall adopt a resolution which specifies the policies and procedures governing waivers.

5790. (a) Whenever a board of directors determines that it is

necessary to incur a general obligation bonded indebtedness for the acquisition or improvement of real property or for funding or refunding of any outstanding indebtedness, the board of directors shall adopt a resolution making determinations and calling an election on a proposition to incur indebtedness.

(b) The amount of the bonds to be issued shall not exceed the amount specified in the resolution calling the election.

(c) A district shall not incur bonded indebtedness that exceeds 10 percent of the assessed value of all taxable property in the district at the time the bonds are issued.

5790.1. The resolution shall state:

(a) The purpose for which the proposed debt is to be incurred, which may include expenses for the authorization, issuance, and sale of bonds.

(b) The amount of the debt to be incurred.

(c) The maximum term of the bonds, not to exceed 30 years.

(d) The maximum rate of interest to be paid, not to exceed the maximum rate permitted pursuant to Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

(e) The measure to be submitted to the voters.

(f) The date the election will be held.

(g) Any other matters that are required pursuant to Article 1.5 (commencing with Section 53410) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

(h) Any other matters that are required pursuant to the Uniform District Election Law, Part 4 (commencing with Section 10500) of Division 10 of the Elections Code.

5790.3. (a) The election shall be conducted pursuant to the Uniform District Election Law, Part 4 (commencing with Section 10500) of Division 10 of the Elections Code.

(b) If two-thirds of the voters voting on the proposition favor incurring the indebtedness and issuing the bonds, the board of directors may incur the indebtedness and issue the bonds.

5790.5. (a) The board of directors may provide for the issuance of bonds in any amounts, in any series, and on any terms, provided that they do not exceed the limits approved by the voters.

(b) The board of directors shall adopt a resolution prescribing the form and denomination of the bonds. The resolution shall specify the dates on which all or any part of the principal shall become due and payable. The payment of the first installment or principal may be deferred for a maximum period not to exceed five years from the date on which the board of directors issues the first bonds or first bonds in each series.

(c) The bonds shall be dated, numbered consecutively, and signed by the chair of the board of directors and the treasurer. Signatures

may be facsimiles and may be mechanically reproduced by any means, provided that one of the signatures shall be signed by hand. If the chair of the board of directors or the treasurer whose signature appears on a bond ceases to hold that office before the delivery of the bonds to the purchaser, the signature is nevertheless valid for all purposes connected with that bond.

(d) The board of directors may provide for the call and redemption of bonds before their maturity at times and prices and upon any other terms as it specifies.

5790.7. (a) Before selling the bonds, the board of directors shall give notice inviting sealed bids. At a minimum, the board of directors shall publish notice at least once in a newspaper of general circulation in the district at least 10 days before the deadline for receiving the bids.

(b) The board of directors shall award the sale of the bonds to the highest responsible bidder.

(c) If the board of directors does not receive any bids or if it determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board of directors may reject all bids, if any, and either readvertise or sell the bonds at private sale.

5790.9. Any general obligation bonds issued by a district shall have the same force, value, and use as bonds issued by a city and the bonds and interest on the bonds are exempt from all taxation within the State of California.

5790.11. (a) All premiums and accrued interest received from the sale of the bonds shall be deposited with the treasurer in a special bond service fund to be used for the payment of the principal of and interest on the bonds, and the remainder of the proceeds of the bonds shall be placed to the credit of the proper improvement fund and applied exclusively to the purposes stated in the proposition approved by the voters.

(b) When the purpose has been accomplished, any moneys remaining in the improvement fund shall be transferred to the special bond fund. When the purpose has been accomplished and all principal and interest on the bonds have been paid, any balance of money then remaining shall be transferred to the district's general fund.

5790.13. For any bond approved by the voters on or after January 1, 2001, the treasurer shall file the annual report required pursuant to Article 1.5 (commencing with Section 53410) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

5790.15. (a) After incurring a general obligation indebtedness, and

annually thereafter until the indebtedness is paid or until there is a sum in the district treasury in a special bond service fund set apart for that purpose that is sufficient to meet all payments of principal and interest on that indebtedness as it becomes due, the board of directors shall adopt a resolution directing the county tax collector to levy a tax on behalf of the district.

(b) The tax shall be in addition to all other taxes levied by and for the district and shall be collected in the same manner and at the same time as county taxes. A county may recover its costs as provided in Section 29142 of the Government Code.

(c) The rate of the tax shall be fixed to result in proceeds that are sufficient to pay any principal and interest that will become due before the next proceeds of a tax to be levied will be available.

5790.17. If a district dissolves after incurring a general obligation indebtedness, the property in the territory that constituted the district at the time of its dissolution shall continue to be subject to tax sufficient to pay any principal, interest, and any other amounts owing on account of that obligation, as they become due. Any order of dissolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Part 1 (commencing with Section 56000) of Division 3 of Title 5 of the Government Code shall impose that obligation.

5791. (a) Whenever a board of directors determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more zones pursuant to this article.

(b) The board of directors 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 different services, different levels of service, or additional revenues that the zone will provide.
- (4) Sets forth the methods by which those services or levels of service will be financed.
- (5) States the reasons for forming the zone.
- (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 of directors shall fix the date, time, and place for the public hearing on the formation of the zone. The board of directors shall publish notice of the hearing, including the

information required by subdivision (b), pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation in the district. The board of directors shall mail the notice at least 20 days before the date of the hearing to all owners of property within the proposed zone. The board of directors shall post the notice in at least three public places within the territory of the proposed zone.

5791.1. (a) At the hearing, the board of directors shall hear and consider any protests to the formation of the zone. If, at the conclusion of the hearing, the board of directors determines either (1) that more than 50 percent of the total number of voters residing within the proposed zone have filed written objections to the formation or (2) that 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 of directors shall terminate the proceedings. If the board of directors determines that the written objections have been filed by 50 percent or less of those voters or property owners, then the board of directors may proceed to form the zone.

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

5791.3. A board of directors may change the boundaries of a zone or dissolve a zone by following the procedures in Sections 5791 and 5791.1.

5791.5. 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.

5791.7. (a) As determined by the board of directors, a zone may provide any service at any level within its boundaries that the district may provide.

(b) As determined by the board of directors and pursuant to the requirements of this chapter, a zone may exercise any fiscal powers within its boundaries that the district may exercise.

(c) Any special taxes, benefit assessments, fees, or general obligation bonds that are intended solely for the support of services within a zone shall be levied, assessed, and charged within the boundaries of the zone.

(d) A zone shall not incur a bonded indebtedness that exceeds the limit specified in subdivision (c) of Section 5790. Any bonded indebtedness of the entire district shall be included in computing

that limit.