



TRANSIT DISTRICT LAW



TRANSIT DISTRICT LAW

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STATE OF CALIFORNIA

COMPILED BY
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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

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Ch. 433, Stats. 1957, Ch. 116, 603, Stats. 1959;
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(Part 1, Division 10, Public Utilities Code)

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TRANSIT DISTRICT LAW

STATE OF CALIFORNIA

(as codified in Part 1, Division 10,
of the Public Utilities Code)

DIVISION 10. TRANSIT DISTRICTS

Chapter 1. General Provisions

Article 1. Definitions

24501 - SHORT TITLE

This division may be cited as the "Transit District Law."

24502 - CONSTRUCTION

Unless the context otherwise requires, the provisions of this article govern the construction of this part.

24503 - DISTRICT BOARD

"District" means a transit district formed under this part;
"board" means the board of directors of a district.

24504 - VOTER

"Voter" means any elector who is registered under the Elections Code.

24505 - TRANSIT

"Transit" means the transportation of passengers and their incidental baggage by any means.

24506 - TRANSIT WORKS-FACILITIES

"Transit works" or "transit facilities" means all real and personal property, equipment, rights, or interests owned or to be acquired by the district for transit service.

24507 - PERCENT OF THE TOTAL VOTE CAST

"Percent of the total vote cast," when used with reference to the requirements of any petition or nomination paper, means percent of the total vote cast, exclusive of absent voter ballots, within the proposed district, district, city or territory, as the case may be at the last general state election.

24508 - CITY

"City" includes city and county and incorporated town, but does not include unincorporated town or village.

24509 - PUBLIC AGENCY

"Public agency" includes a city, city and county, a county, the State of California, or any public district organized under the laws of the State of California or any agency or authority of any thereof.

Article 2. General Provisions

24531 - TRANSIT DISTRICTS

A transit district may be created as provided in this part and when so created may exercise the powers herein granted.

24532 - CONDUCT OF ELECTIONS

Except as otherwise provided in this part elections shall be held and conducted and the result ascertained, determined, and declared in all respects as nearly as practicable in conformity with the general election laws of the State.

24533 - PUBLICATION OF NOTICES

Except as otherwise provided in this part all ordinances and notices which are required to be published shall be published within the district pursuant to Section 6066 of the Government Code.

24534 - SAME

Whenever in this part publication is required and there is no newspaper of general circulation published within the district, the publication may be made in a newspaper of general circulation published in any county where the district is situated.

24535 - FACSIMILE SIGNATURES

Whenever the signature of any officer or employee of a district or of any member of the retirement board or of any officer or employee of the retirement system is authorized or required under the provisions of this part, except in the single instance provided in Section 26244, the signature may be made by the use of a plate bearing facsimiles of such signatures.

CHAPTER 2. FORMATION OF DISTRICTS

Article 1. General Provisions

24561 - AGENCIES AND TERRITORY

Any city together with unincorporated territory, or two or more cities, with or without unincorporated territory, in either Alameda County or Contra Costa County or both, may organize and incorporate as a transit district. Cities and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous. No city shall be divided in the formation of a district. A City may be in more than one transit district formed under this division.

It is necessary that a district be formed in Alameda and Contra Costa Counties to meet the transit problem, for the area involved covers more than one city and is in two counties; moreover, the problem is unique to these counties due to their geographic location in relation to the centers of employment of many of their residents. Although a municipal utility district could provide transportation facilities there is already an existent municipal utility district in part of the area which provides water and sewage disposal to persons who will not necessarily be benefited by the transportation facilities, and if a new municipal utility district is formed, there is a

possibility of its becoming merged by operation of law with the existent district which would result in those persons in the existent district being inequitably taxed to pay for the transit facilities and those benefited only by the transit facilities being taxed to support the water and sewage disposal functions of the district.

Also, there are existing transportation facilities in the area which may be taken over by the transit district and special provisions relating to this transfer and to the employees of these facilities, as provided for by this division, are necessary to protect the public interest.

24562 - REQUEST FOR FORMATION

A request for the formation of a district may be made by resolution or by petition as set out in this chapter.

Article 2. Request by Resolution

24581 - RESOLUTIONS

Legislative bodies of half or more of the cities proposed to be included in the proposed district may pass resolutions declaring that in their opinion public interest or necessity demands the creation and maintenance of a transit district to be known as the "(giving the name) transit district."

24582 - CONTENTS

The resolutions may state the transit facilities proposed to be first acquired, but failure to acquire such transit facilities shall not affect the validity of the district. They shall describe the exterior boundaries of the proposed district, except that if it is intended to organize the district of cities only, a statement of the names of such cities is a sufficient and legal description of the district.

24583 - REQUEST FOR ELECTION

Certified copies of the resolutions shall be presented to the board of supervisors of the county containing the largest number of voters within the proposed district, requesting that board of supervisors to call an election without delay for determining whether the district will be created.

Article 3. Request by Petition

24611 - PETITION BY ELECTORS

Instead of resolutions, a petition may be presented to the board of supervisors of the county containing the largest number of voters within the proposed district, signed by voters within the proposed district equal in number to at least 10 percent of the total vote cast.

24612 - CONTENTS

The petition shall contain substantially the same declarations and statements required to be contained in the resolutions presented to a board of supervisors under this chapter, and declare that, in the opinion of the petitioners, public interest or necessity demands the creation and maintenance of a transit district.

24613 - AFFIDAVITS

The petition may be on separate papers, but each paper shall contain the affidavit of the person who circulated it certifying that each name signed thereto is a true signature of the person whose name it purports to be.

24614 - CERTIFICATION OF SIGNATURES

The clerk of the board of supervisors of the county in which the petition is presented shall compare the signatures to the petition with the affidavits of registration and certify to their sufficiency or insufficiency.

Article 4. Election

24641 - CALL BY SUPERVISORS

Upon receipt of certified copies of the resolutions or of a sufficient petition, the board of supervisors to whom they are presented shall call an election within the proposed district without delay for the purpose of determining whether the proposed district will be created and established, and for the purpose of electing the first board of directors therefor in case the district is created.

24642 - WARDS

Before calling the election the board of supervisors shall divide the proposed district into five wards, the boundaries of which shall be so drawn that each shall contain approximately an equal number of voters, as nearly as may be. The cities and any other territory included in the proposed district may be divided for the purpose of establishing ward boundaries.

24643 - NOTICE

Upon establishing the wards, the board of supervisors shall publish notice of the election within the proposed district.

24644 - SAME: CONTENT

The notice shall state the name of the proposed district, and describe the boundaries thereof and the boundaries of the wards provided for the purpose of electing directors.

24645 - BALLOTS: FORM

The ballot for the election shall contain such instructions as are required by law to be printed thereon and in addition thereto the following:

Shall the "(giving name thereof) transit	YES _____
district" be created and established?	NO _____

24646 - SAME: CANDIDATES FOR DIRECTORS

The ballots shall also contain the names of the persons nominated to serve as a member of the board showing separately each ward and its nominees and those nominated to be elected at large.

24647 - CANDIDATES: NOMINATION

Any person may be nominated for the office of director upon written petition of at least 50 voters of the ward in which such person

resides or of the district for directors elected at large.

24648 - CANDIDATES: VOTE ON

Candidates for the office of director shall be voted upon and elected one from each ward and two at large.

24649 - ELIGIBLE VOTERS

No person shall be entitled to vote at the election unless he is a voter of the territory included in the proposed district.

24650 - CONSOLIDATED ELECTION

The election may be held on the same day as any other state, county, or city election, and be consolidated therewith.

24651 - CANVASS

The board of supervisors which called the election shall meet on Monday next succeeding the day of the election and canvass the votes cast thereat.

24652 - CREATION OF DISTRICT

The board of supervisors shall canvass the returns of each city and each parcel of unincorporated territory, if any, separately, and shall order and declare the district created and established of the cities and territory in which a majority of those who voted on the proposition voted in favor of the creation of the district if the total number of voters in such approving cities and territory is not less than two-thirds the number of voters within the district as first proposed, according to the register used at the election.

24653 - DIRECTORS QUALIFICATIONS

No person may serve as a director unless he is a resident and voter of the district as finally determined. Any vacancies on the board caused by the elimination of territory shall be filled by appointment by the remaining directors, in which case ward lines may be disregarded.

24654 - SAME: CANVASS, RESULT

The board of supervisors shall also canvass the returns of the election with respect to the persons voted for as directors, and shall declare the persons receiving the highest number of votes, for each ward, respectively, or in the district as a whole for those elected at large, to be duly elected as directors of the district, if they are residents and voters thereof as finally determined.

24655 - COST OF ELECTION

The board of supervisors calling the election shall make all provisions for the holding thereof throughout the entire district as proposed, and shall pay the cost thereof.

24656 - REIMBURSEMENT FOR SPECIAL ELECTION COSTS

If a special election is held exclusively on the proposition of organizing a district, the expenditure therefor shall be reimbursed to the county which called the election by means of a tax on all the taxable property within the cities and unincorporated territory which was proposed to be included in the district, and this tax shall be added to

the next county tax bills by the proper officials of the counties involved, respectively.

Article 5. Establishment of the District

24681 - FILING RESULT

The board of supervisors shall cause a certified copy of the order declaring the result of the election to be filed in the Office of the Secretary of State, from and after which the establishment of the district shall be deemed complete.

Article 6. Contest of Incorporation

24701 - CONTEST OF ELECTION

No informality in any proceeding or in the conduct of any election, not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the incorporation of any district. Any proceedings wherein the validity of incorporation is denied shall be commenced within three months from the date of filing the order declaring the result of the election with the Secretary of State, otherwise the incorporation and the legal existence of the district shall be held to be valid and in every respect legal and incontestable.

CHAPTER 3. INTERNAL ORGANIZATION OF DISTRICTS

Article 1. Government

24801 - BOARD OF DIRECTORS

The government of every district is vested in a board of seven directors, one from each ward, and two at large, together with the other officers mentioned in this division. The directors shall be residents and voters of the respective wards from which they are nominated.

Article 2. Election of Directors

24821 - TIME

The first directors are elected at the formation election as provided in Chapter 2. All elections of directors subsequent to the first shall be held at the same time as the general election in the manner provided in this article.

24822 - NOTICE

Notice of election shall be published and no other notice of such election need be given.

24823 - WARDS

The board shall by resolution or ordinance fix the boundaries of the wards for the purpose of electing directors therefrom. Such wards shall be established in ample time prior to each biennial general election to permit candidates for the position of directors to circulate nominating papers.

24824 - REFERENCE TO WARDS

The notice of election shall refer to the wards established by the board.

24825 - NOMINATION PAPER

Upon the filing of a sufficient nomination paper and affidavit by any candidate the name of the candidate shall go upon the ballot at the ensuing general election.

24826 - SAME: CONTENT

The nomination paper, for those directors elected by wards, shall contain the name of the candidate, with such other information as may be required herein, and shall be signed by 50 voters of the respective ward. The nomination paper for directors elected at large shall contain the name of the candidate, with such other information as may be required herein, and shall be signed by 50 voters of the district.

24827 - SAME: CIRCULATION

Nomination papers may be circulated throughout the district for those directors elected at large and throughout each respective ward for those directors elected by wards.

24828 - SAME: TIME LIMITS

The time for verification deputies to obtain signatures to the nomination paper of any candidate, and for nomination papers to be filed with the secretary of the district and be examined by him, and for the secretary of the district to certify the names of all candidates to be placed upon the ballot to the county clerk or county clerks within the territory affected shall be such as is prescribed for independent nominations in the Elections Code.

24829 - CONSOLIDATION WITH GENERAL ELECTION

The board shall in the notice, ordinance or resolution calling an election consolidate it with the general election to be held at the same time in the respective counties in which the district is located and authorize the respective boards of supervisors to canvass the returns and certify the result of the canvass to the board. It shall be the duty of the board or boards of supervisors to so consolidate the election, canvass the returns and cause the result thereof to be properly certified to the board of directors of the district. The election shall be held in all respects as if there were only one election, and only one ticket or ballot shall be used.

24830 - VOTE BY WARD AND AT LARGE

Candidates for the office of director shall be voted upon and elected one from each ward and two at large.

24831 - DECLARATION OF RESULT

Upon receipt of the returns of the canvass by the respective boards of supervisors the board shall meet and determine results of the election and declare the candidate or candidates elected.

24832 - CERTIFICATES OF ELECTION

The secretary of the district shall issue certificates of election, signed by him and duly authenticated, immediately following the determination of the result of the election by the board.

Article 3. Terms of Office of Directors

24861 - TERMS OF FIRST DIRECTORS

The directors elected at the formation election shall hold their respective offices only until the first Monday after the first day of January next following the next general election and until their successors are elected and qualified.

24862 - STAGGERED TERMS

Of the directors elected at the first election following the formation election, those three elected by wards and the one elected at large by the highest vote shall hold office for four years, and the other three for two years, and until their successors are elected and qualified. Thereafter, at each biennial general election, a number of directors corresponding to the number whose terms of office expire shall be elected for the term of four years.

24863 - COMMENCEMENT OF OFFICIAL DUTIES

Directors elected at the formation election shall enter upon their official duties immediately upon the filing of the order declaring the result of the election with the Secretary of State, after qualifying according to law. The terms of directors elected after the formation election shall commence on the first Monday after the first day of January next following their election.

24864 - RECALL

Every director is subject to recall by voters of the district, in accordance with the recall provisions of the general laws of the State applicable to county officers.

24865 - VACANCIES

The board shall fill all vacancies on the board, including those caused by the death or resignation of a member. If, however, a vacancy exists for 60 days the Governor shall fill the vacancy.

24866 - TERM OF APPOINTEE

The person appointed to fill any vacancy on the board shall hold office for the remainder of the unexpired term of his predecessor.

Article 4. Powers and Duties of Directors

24881 - OATH

The oath of office of directors shall be taken, subscribed, and filed with the secretary of the district at any time after the director has notice of his election or appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

24882 - ORGANIZATION OF BOARD

The board shall choose one of its members president, and another vice president, who shall be authorized to act for the president during his absence or disability, and shall provide for the time and place of holding its meetings, which shall be held at least once each month.

24883 - LEGISLATIVE BODY

The board is the legislative body of the district and determines all questions of policy.

24884 - ADMINISTRATIVE POWERS

All matters and things necessary for the proper administration of the affairs of the district which are not provided for in this division shall be provided for by the board.

24885 - SUPERVISION AND REGULATION OF FACILITIES

The board shall supervise and regulate every transit facility owned and operated by the district, including the fixing of rates, rentals, charges, and classifications, and the making and enforcement of rules, regulations, contracts, practices and schedules, for or in connection with any transit facility owned or controlled by the district.

24886 - PERSONNEL SYSTEM, DISTRICT EMPLOYEES

The board may adopt a personnel system for the purpose of recruiting and maintaining an effective working force with good morale. The board shall by resolution determine and create such number and character of positions as are necessary properly to carry on the functions of the district and shall establish an appropriate salary, salary range, or wage for each position so created. The board may by resolution abolish any such position. Except as otherwise provided, appointments to such positions shall be made by the general manager.

24887 - CONTRACTS FOR SERVICES

The board may from time to time contract for or employ any professional service required by the district or for the performance of work or services which cannot satisfactorily be performed by the regular employees of the district.

24888 - ANNUAL AUDIT

The board shall have an annual audit made of all books and accounts of the district by a certified public accountant or public accountant.

24889 - PAYMENT OF DEMANDS

The board may provide by resolution, under such terms and conditions as it sees fit, for the payment of demands against the district without prior specific approval thereof by the board if the demand is for a purpose for which an expenditure has been previously approved by the board and in an amount no greater than the amount so authorized, and if the demand is approved by the general manager.

24890 - ADMINISTRATION OF FUNDS

To facilitate the business of the district, the board may provide for the creation and administration of such funds as the needs of the district may require. The funds shall be disbursed in accordance with rules established by the board and all payments from any fund shall be reported to the board.

Article 5. Meetings and Legislation

24906 - LEGISLATIVE SESSIONS

All legislative sessions of the board, whether regular or special, are open to the public.

24907 - QUORUM

A majority of the board constitutes a quorum for the transaction of business.

24908 - DIRECTORS' COMPENSATION EXPENSES

The board shall establish rules for its proceedings and may provide by ordinance or resolution that each member shall receive for each attendance at the meetings of the board and for each day any member is engaged in authorized district business other than attendance at meetings of the board the sum of fifty dollars (\$50) but not to exceed one hundred fifty dollars (\$150) in any calendar month and shall be allowed such necessary traveling and personal expenses incurred in the performance of his duties as authorized by the board.

24909 - EXPRESSION OF BOARD ACTION

The acts of the board shall be expressed by motion, resolution, or ordinance. No ordinance shall be passed by the board on the day of its introduction, nor within three days thereafter, nor at any time other than a regular or adjourned regular meeting. No ordinance, resolution, or motion shall have any validity or effect unless passed by the affirmative votes of a majority of the directors.

24910 - ORDINANCES: PUBLICATION

All ordinances shall be published after passage.

24911 - SAME: ENACTING CLAUSE

The enacting clause of all ordinances shall be as follows:

"Be it enacted by the board of directors of _____ transit district."

24912 - SAME: EXECUTION

All ordinances shall be signed by the president of the board or the vice president, and attested by the secretary.

Article 6. Other Officers

24926 - GENERAL MANAGER

The board shall appoint and fix the salary of a general manager, who shall have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district and also of the administration of the business affairs of the district.

24927 - QUALIFICATIONS

All other things being equal, the board shall appoint as general manager some person who has had experience in the construction or management of transit facilities.

24928 - RESIDENCE

The general manager need not be a resident of this State at the time of his appointment.

24929 - TERM, REMOVAL, ETC.

The general manager shall hold office for an indefinite term and may be removed by the board only upon the adoption of a resolution by the affirmative vote of not less than a majority of the board. Before

the general manager may be removed, he shall, if he demands it, be given a written statement of the reasons alleged for his removal and he shall have the right to be publicly heard thereon at a meeting of the board prior to the final vote on the resolution providing for his removal, but pending and during such hearing the board may suspend him from office. The board may not reduce the salary of the general manager below the amount fixed at the time of his original appointment except upon the adoption of a resolution by a like vote and after a like opportunity to be heard. The action of the board in suspending or removing the general manager or reducing his salary, if approved by a majority of the membership of the board, is final.

24930 - PERIOD PRIOR TO OPERATION

Notwithstanding this article, until such time as the district has operated, controlled, or used facilities or parts of facilities for providing the inhabitants and cities within the boundaries of the district with transit services for a period of six months, the board may or may not appoint a general manager; who during such time holds office at the pleasure of the majority of the board.

24931 - SECRETARY, ATTORNEY

The board may appoint a secretary and an attorney, who shall hold office during the pleasure of the board.

24932 - ATTORNEY: QUALIFICATIONS

The attorney shall be admitted to practice law in the Supreme Court of the State, and shall have been actively engaged in the practice of his profession for not less than three years next preceding his appointment.

24932.5 - ADMINISTRATION OF OATHS AND AFFIRMATIONS

The secretary, and such assistants as the board may determine, shall have the power to administer all oaths or affirmations required by this part, including the oath of office.

24933 - CONSOLIDATION OF OFFICES

The board may consolidate any of the district offices in one person.

24934 - OATH OF OFFICE

The oath of office of all appointive officers of the district shall be taken, subscribed, and filed with the secretary of the district at any time after the officer has notice of his appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

24935 - BOND

Each appointive officer shall give such bond and in such amount as the board may require.

24936 - GENERAL MANAGER: POWERS AND DUTIES

Subject to the control of the board, the powers and duties of the general manager are:

(a) To have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district.

(b) To have full charge of the administration of the business affairs of the district.

(c) To see that all ordinances of the district are enforced.

(d) To administer the personnel system adopted by the board and except for officers appointed by the board to appoint, discipline or remove all officers and employees subject to the rules and regulations adopted by the board and the labor provisions of this law, whichever are applicable.

(e) To attend all meetings of the board and submit a general report of the affairs of the district.

(f) To keep the board advised as to the needs of the district.

(g) To prepare or cause to be prepared all plans and specifications for the construction of the works of the district.

(h) To devote his entire time to the business of the district.

(i) To perform such other and additional duties as the board may require.

24937 - PUBLICATION OF FINANCIAL REPORT

The general manager shall within 90 days from the end of each fiscal year cause to be published a financial report showing the result of operations for the preceding fiscal year and the financial status of the district on the last day thereof. The publication shall be made in the manner provided in this division for the publication of ordinances and notices generally.

24938 - ATTORNEY: DUTIES

The attorney shall take charge of all suits and other legal matters to which the district is a party or in which it is legally interested. He shall give his advice or opinion in writing whenever required by the board. He shall be the legal advisor of the general manager and other district officers and shall prepare or approve the forms of all ordinances, resolutions, contracts, bonds, and other legal documents connected with the business of the district. He shall perform such other and additional services as the board may require.

24939 - AUDITING, ACCOUNTING, WARRANTS

The general manager shall cause to be installed and maintained a system of auditing and accounting which shall completely and at all times show the financial condition of the district. All warrants for the payment of demands against the district shall be paid in accordance with such rules as the board may establish.

24940 - CUSTODY, FUNDS, RECEIPTS AND DISBURSEMENTS

The general manager shall provide for the custody of the funds of the district and the keeping of accounts of all receipts and disbursements. Payments shall be made only upon warrants duly and regularly signed by the president or vice president of the board, or other person authorized by the board so to do, and by the general manager or secretary.

24941 - TRUST DEPOSITS

With the consent of the board, the general manager may:

(a) Authorize the trust department of any state or national bank in this State, or a trust company authorized to act as such in this State,

to receive as his agent deposits of any securities acquired by the district.

(b) Place and maintain for safekeeping as a trust deposit with the trust department of any state or national bank in this State, or a trust company authorized to act as such in this State, any securities owned by the district.

The bank or trust company selected shall have a total paid-in capital of at least one million dollars (\$1,000,000). The general manager shall take from the trust department or trust company a receipt for the securities, and neither the general manager nor the district is responsible for the custody and safe return of the securities until they are withdrawn from the trust department or trust company by the general manager. Any trust department or trust company to which securities are delivered, either as agent or depository for the general manager, shall make such disposition of the securities as the general manager directs and is responsible only for strict compliance with written instructions given to it by the general manager. All such securities are at all times subject to the order of the general manager.

CHAPTER 4. LABOR PROVISIONS

25051 - COLLECTIVE BARGAINING, ARBITRATION

Whenever a majority of the employees employed by said transit district in a unit appropriate for collective bargaining indicate a desire to be represented by a labor organization, the board, upon determining as provided in Section 25052 that said labor organization represents the employees in the appropriate unit, and the accredited representative shall bargain in good faith and make all reasonable efforts to reach agreement on the terms of a written contract governing wages, salaries, hours, working conditions and grievance procedures. In case of a dispute over the terms of a written contract governing wages, salaries, hours or working conditions, which is not resolved by negotiations in good faith between the board and the representatives of the employees, upon the agreement of both, the board and the representatives of the employees may submit said dispute to the decision of the majority of an arbitration board, and the decision of a majority of such arbitration board shall be final. The arbitration board shall be composed of two representatives of the transit board and two representatives of the labor organization, and they shall endeavor to agree upon the selection of a fifth member. If they are unable to agree, the fifth member shall be designated by the Secretary of the Judicial Council and shall be a person experienced in labor arbitrations. The expenses of such impartial arbitrator shall be provided half by the transit board and half by the labor organization.

No contract or agreement shall be made with any labor organization, association, group or individual where such organization, association, group or individual denies membership on the grounds of race, creed or color, provided such organization may preclude from membership any individual who advocates the overthrow of the government by force or violence.

25052 -PROCEDURE ON LABOR ORGANIZATION CERTIFICATION

If there is a question whether a labor organization represents a majority of employees or whether the proposed unit is or is not appropriate, such matters shall be submitted to the State Conciliation Service for disposition. The State Conciliation Service shall promptly hold a public hearing and may, by decision, establish the boundaries of any collective bargaining unit and provide for an election to determine the question of representation. Provided, however, any certification of a labor organization to represent or act for the employees in any collective bargaining unit shall not be subject to challenge on the grounds that a new substantial question of representation within such collective bargaining unit exists until the lapse of one year from the date of certification or the expiration of any collective bargaining agreement, whichever is later.

25053 - RIGHTS OF EMPLOYEES OF FACILITIES ACQUIRED BY DISTRICT

Whenever any district acquires existing facilities from a publicly or privately owned public utility, either in proceedings by eminent domain or otherwise, to the extent necessary for operation of facilities, all of the employees of such public utility whose duties pertain to the facilities acquired who have been employed by said utility for at least seventy-five (75) days shall be appointed to comparable positions in the district without examination and shall be governed thereafter by the personnel system adopted by the board, and these employees shall be given sick leave, seniority and vacation credits in accordance with the records of the acquired public utility.

The provisions of this section shall apply only to those officers or supervisory employees of the acquired utility as shall be designated by the board.

25054 - SAME: PENSION PLAN

Whenever any district acquires existing facilities from a publicly or privately owned public utility, either in proceedings in eminent domain or otherwise, that has a pension plan in operation, members and beneficiaries of such pension plan shall continue to have the rights, privileges, benefits, obligations and status with respect to such established system; provided, however, that the outstanding obligations and liabilities of such public utility by reason of such pension plan have been considered and taken into account and allowance made for in the purchase price of such public utility.

25055 - SAME: AGREEMENT OR ORDER

The persons entitled to pension benefits as provided for in Section 25054 and the benefits which are provided shall be specified in the agreement or order by which any public utility is acquired by the district.

25056 - SAME: MEMBERSHIP IN DISTRICT PENSION PLAN

All persons receiving pension benefits from such acquired public utility and all persons entitled to pension benefits under any pension plan of such acquired public utility may become members or receive pensions under the retirement system established by the district as provided for in Chapter 5 (commencing with Section 25301) of this part, or participated in by the district as provided for in Section 25305 of

this part, by mutual agreement of such persons and the district. Such agreement may provide for the waiver of all rights, privileges, benefits and status, with respect to the pension plan of such acquired public utility.

25057 - INSURANCE PREMIUMS: PAYMENT BY DISTRICT: WAGE DEDUCTIONS

Notwithstanding any provisions of the Government Code, the board may authorize payment of any or all of the premiums on any group life, accident and health insurance, health and welfare plan, or pension or retirement plan, on officers or employees of a district. Upon authorization by its employees, a district may make deductions from the wages and salaries of its employees:

- (1) Pursuant to a collective bargaining agreement with a duly designated or certified labor organization for the payment of union dues, fees, or assessments.
- (2) For the payment of contributions pursuant to any health and welfare, pension, or retirement plan.
- (3) For any purpose for which deductions may be authorized by employees of any private employer.

CHAPTER 5, RETIREMENT SYSTEM

Article 1. Establishment

25301 - BOARD ACTION

The board may establish a retirement system for the officers and employees of the district and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them, provided that the adoption, terms and conditions of any retirement system covering employees of the district, a majority of who are represented by a labor organization in accordance with Chapter 4 (commencing with Section 25051) of this part, shall be pursuant to a collective bargaining agreement between such labor organization and the district.

25302 - FUND

The district may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance or other insurance, or by such means as in the opinion of the board will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

25303 - ACTUARIAL REPORT

Before establishing any retirement system the board shall secure a report from a qualified actuary, which shall show the cost of the benefits provided by the system, and the prospective assets and liabilities of the system.

25304 - POWERS OF BOARD

The board may adopt all ordinances and resolutions and perform all acts necessary or convenient to the initiation, maintenance, and administration of the retirement system.

25305 - PARTICIPATION IN STATE SYSTEM

Nothing in this chapter prevents a district from participating in and making all or part of its employees members of the State Employees'

Retirement System by contract entered into between the district and the board of administration of the system under the State Employees' Retirement Law or from participating in the Federal Social Security Act, or from participating in the retirement system of any other public agency for which it is eligible, and the district may perform all acts necessary or convenient for such participation. Such participation shall not be considered as establishing a retirement system subject to the provisions of this chapter.

25306 - CLASSIFICATION OF INCLUDED MEMBERS

The board may classify and determine the officers and employees who shall be included as members in the retirement system and may change the classification from time to time. Membership of all officers and employees so classified and included in the retirement system is compulsory. The retirement system shall not apply to elective officers.

Article 2. Benefits and Contributions

25331 - TERMS AND CONDITIONS

The board may prescribe the terms and conditions upon which the officers and employees of the district or their beneficiaries shall be entitled to benefits and the amounts thereof.

25332 - PRIOR SERVICE

The retirement allowance may be predicated in part upon service rendered the district or any predecessor public utility, whether publicly or privately owned, acquired by the district in proceedings in eminent domain or otherwise, by a member prior to the establishment of the retirement system, which service is known as "prior service."

25333 - CONTRIBUTIONS TO RETIREMENT SYSTEM

The board may provide that the district shall contribute the entire cost of the retirement system or may require that an officer or employee of the district, upon becoming a member of the retirement system, shall contribute a portion of the cost. The amount of said officer or employee contribution shall be determined by the board.

25334 - MEMBERS' CONTRIBUTIONS

All members of the retirement system shall contribute in the manner and amount fixed by the board and such contributions may be collected by deducting the amounts thereof from the salary, wages, or compensation due such members.

25335 - DISTRICT CONTRIBUTIONS

Liabilities accruing under the retirement system because of benefits other than such as are the equivalent of contributions by the members, with accumulated interest, shall be met by contributions by the district. Prior service or other liabilities of the district may be met by annual appropriations instead of by one appropriation for the total of the liabilities; but until the present value of regular contributions for current service, together with assets then available, equals the present value of all allowances and benefits granted or to be granted under the system, the appropriation for any one year when added to any unused balance of any previous appropriations for such

purpose shall not be less than the amount disbursed during that year on account of prior service or other liabilities of the district.

25336 - REFUND UPON WITHDRAWAL

If any member withdraws from the retirement system prior to retirement the total amount contributed by him with such interest as may be credited thereto shall be returned to him; provided, however, that the board may prescribe the terms and conditions upon which a member, whose district service is terminated except by death or retirement, may elect to leave his contributions and interest thereon in the retirement fund, and the terms and conditions upon which a retirement allowance may be made to him after such termination.

25337 - EXEMPTION OF BENEFITS

All money received by any person as an annuity, pension, retirement allowance, disability payment, or death benefit from the retirement system, and all contributions and interest thereon returned to any member of the retirement system, whether in the actual possession of such person or deposited, loaned, or invested by him, is exempt from execution, garnishment, or attachment and is unassignable.

Article 3. Retirement Board

25361 - MEMBERS, POWERS, DUTIES

The board, upon establishing a retirement system pursuant to this chapter, shall create a retirement board of not more than five members, at least two members of which shall be the elected representatives of the employees, to administer the retirement system, and shall define its powers and duties and the tenure of the members.

25362 - COMPENSATION

All members of the retirement board shall serve without pay.

25363 - DETERMINATION OF ELIGIBILITY, CONDITIONS, ETC.

The retirement board shall determine the eligibility of officers, employees, and their dependents to participation in the system and shall be the sole authority and judge under such ordinances as may be adopted by the board as to the conditions under which persons may be admitted to and continue to receive benefits of any sort under the retirement system, and may modify allowances for service and disability. The determination of the retirement board shall be final and conclusive and shall not be modified or set aside except for fraud or abuse of discretion.

25364 - ADMINISTRATION OF RETIREMENT FUND

If the district maintains its own retirement fund the retirement board shall have exclusive control of the administration, investment, and disbursement of such fund. Investment of the fund shall be subject to the terms, conditions, limitations, and restrictions imposed by the laws of this State upon savings banks in the making of investments by savings banks, and cash may be deposited in any licensed national bank or banks in this State or in any bank, banks, or corporations authorized or licensed to do a banking business and organized under the laws of this State.

Article 4. Investigation and Penalties

25391 - ACTUARIAL VALUATION, ETC.

At least once in each four-year period after the establishment of the retirement system the board shall cause to be made an actuarial valuation of the assets and liabilities of the retirement fund, and upon the basis of such investigation and valuation shall make such revision or change of the rates of contribution, the periods and conditions of service, and amounts of retirement allowances as may be necessary.

25392 - INTEREST IN INVESTMENTS

Except as herein provided, no member of the board or of the retirement board, nor any member of the retirement system or employee of the district, shall have any interest direct or indirect in the making of any investment or in the gains or profits accruing therefrom, and no such person, directly or indirectly, for himself or as an agent or partner of others, shall borrow any of its funds, nor shall any such person in any manner use the same except to make such current and necessary payments as are authorized by the retirement board, nor shall such a person become an endorser or surety as to, or in any manner an obligor for investments of the retirement fund.

CHAPTER 6. POWERS AND FUNCTIONS OF DISTRICT

Article I. Corporate Power

25701 - PERPETUAL SUCCESSION, SEAL

A district has perpetual succession and may adopt a seal and alter it at pleasure.

25702 - SUITS

A district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

25703 - EMINENT DOMAIN

A district shall have or exercise the right of eminent domain in the manner provided by law for the condemnation of private property for public use. A district may take any property necessary or convenient to the exercise of the powers granted in this division, whether the property is already devoted to the same use or otherwise. In the proceedings, venue, and trial relative to the exercise of the right the district has all the rights, powers and privileges of an incorporated city and all rights, powers, and privileges conferred in this division. A district shall proceed in the name of the district in condemnation proceedings. The district, in exercising such power, shall in addition to the damage for the taking, injury, or destruction of property, also pay the cost of removal, reconstruction, or relocation of any structure, railways, mains, pipes, conduits, wires, cables or poles of any public utility which is required to be moved to a new location.

Article 2. Contracts

25721 - POWER TO CONTRACT

A district may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, without limiting the generality of the foregoing, contracts and stipulations to indemnify and save harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this division.

25722 - INTEREST IN CONTRACTS

Neither the general manager nor any director of the district shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom. Any violation of this provision is a misdemeanor, and conviction shall work a forfeiture of office. This section has no application to contracts awarded to corporations in which such officer owns less than 1 percent of the entire capital stock.

Article 3. Purchases

25751 - BIDDING REQUIREMENTS, EXPENDITURES EXCEEDING \$3,000

The purchase of all supplies, equipment and materials, and the construction of facilities and works, when the expenditure required exceeds three thousand dollars (\$3,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

25752 - PURCHASES IN OPEN MARKET

If after rejecting bids the board determines and declares by a four-fifths vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market, the board may proceed to purchase the supplies, equipment and materials in the open market without further observance of the provisions requiring contracts, bids, or notice.

25753 - PUBLIC CALAMITY; SUSPENSION OF RESTRICTIONS

In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, the board may, by resolution passed by a four-fifths vote of all its members declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids, or notice.

Article 4. Property

25771 - POWER TO ACQUIRE, HOLD, SELL, ETC.

A district may take by grant, purchase, gift, devise, or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real and personal property of every kind within

or without the district necessary to the full or convenient exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property within or without the district when in its judgment it is for the best interests of the district so to do.

25772 - DISPOSITION OF RECORDS, ETC.

Whenever the board by resolution determines that any record, map, book, or paper in the possession of the district or any officer or employee thereof is of no further value to the district, the board may authorize its sale, destruction, or other disposition.

Article 5. Transit Facilities and Service

25801 - ACQUISITION, ETC., OF WORKS

A district may acquire, construct, own, operate, control or use rights of way, rail lines, bus lines, stations, platforms, switches, yards, terminals, and any and all other facilities necessary or convenient for transit service within or partly without the district, underground, upon, or above the ground and under, upon, or over public streets or other public ways or waterways, together with all physical structures necessary or convenient for the access of persons and vehicles thereto, and may acquire any interest in or rights to the joint use of any or all of the foregoing; provided that installations in state freeways shall be subject to the approval of the State Department of Public Works and installations in other state highways shall be subject to Article 2, Chapter 3, Division 1 of the Streets and Highways Code.

25802 - ACCEPTANCE OF CONTRIBUTIONS; COOPERATION WITH PUBLIC AGENCIES

A district may without limitation by any other provisions of this division requiring approval of indebtedness, accept contributions of money, rights of way, labor, materials, and any other property for the acquisition, construction, maintenance, and operation of transit facilities, and may without limitation by any other provisions of this division enter into any contracts and cooperate with and accept cooperation from the State, or any department, instrumentality, or agency thereof, or any public agency of the State in the acquisition, construction, maintenance, and operation of, and in financing the acquisition, construction, maintenance, and operation of, any such transit facilities.

25803 - INTERFERENCE WITH FACILITIES OWNED BY PUBLIC AGENCY

A district shall not interfere with or exercise any control over any transit facilities now or hereafter owned and operated wholly or partly within the district by any city or public agency, unless by consent of such city or public agency and upon such terms as are mutually agreed upon between the board and such city or public agency.

25804 - LEASE, CONTRACT FOR USE OF DISTRICT'S TRANSIT FACILITIES

A district may lease or contract for the use of its transit facilities, or any portion thereof, to any operator, and may provide for subleases by such operator upon such terms and conditions as it deems in the public interest. The word "operator" as used in this section means any city or public agency or any person, firm or private corporation.

25805 - CONSTRUCTION AND OPERATION, ETC., OF FACILITIES

A district may construct and operate or acquire and operate works and facilities in, under, upon, over, across or along any street or public highway or any stream, bay or watercourse, or over any of the lands which are the property of the State, to the same extent that such rights and privileges appertaining thereto are granted to municipalities within the State. The district shall with respect to the operation of any rail facilities maintain the area of the street or public highway between such rails and for two feet on either side thereof and shall upon removal of such rails restore any such street or public highway to a like condition as the surrounding street or highway area, all in accordance with local ordinances. The district shall not use any street or public highway in a manner to unnecessarily impair its usefulness. The district shall upon acquiring by condemnation or otherwise the facilities of a private transit company assume any and all obligations of such private company to maintain, repair or replace any street, public highway or part thereof.

25806 - AGREEMENTS FOR JOINT USE OF PROPERTY AND RIGHTS

A district may enter into agreements for the joint use of any property and rights by the district and any city, public agency or public utility operating transit facilities; may enter into agreements with any city, public agency or public utility operating any transit facilities, either wholly or partially within, or without, the district, for the joint use of any property of the district or of such city, public agency or public utility, or the establishment of through routes, joint fares, transfer of passengers or pooling arrangements.

25807 - RATES AND CHARGES

The rates and charges for service furnished pursuant to this division shall be fixed by the board and shall be reasonable.

25808 - HEARING: REQUEST FOR ON RATES, CHARGES, LOCATION OF FACILITIES

The board of supervisors of a county or a city and county, or the city council of a municipality having territory located within the district may file a request for a hearing before the district board as to the reasonableness of any rates or charges fixed by the district and as to any proposal for fixing the location of facilities by the district. The request shall be in writing and shall state the subject matter on which a hearing is desired.

25809 - SAME: TIME AND PLACE FOR HEARING: NOTICE

Upon the filing of a request for hearing as provided in Section 25808 the district board shall fix the time and place for hearing. The time fixed shall not be less than 15 days nor more than 60 days from the date such request is filed. Notice of such hearing shall be given to the county or city requesting such hearing and shall be published by the board.

25810 - SAME: INTERVENTION

At the time fixed for any hearing before the board any board of supervisors or city council eligible to file a request for hearing, not a party to the original request for hearing, may intervene and shall be entitled to be heard and to introduce evidence.

25811 - SAME: RIGHTS ON HEARING

The district, petitioner or petitioners, and the intervenors shall have the right to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in direct examination; and to rebut evidence introduced by other parties.

25812 - SAME: MANNER OF TAKING EVIDENCE

Oral evidence shall be taken only on oath or affirmation. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons as accustomed to rely in the conduct of serious business affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in a civil action.

25813 - SAME: DUTIES OF ATTORNEY AT HEARING

The attorney for the district shall be present at the hearing and shall advise the board on matters of law, and shall render such other assistance as may be requested by the board.

25814 - SAME: RECORD OF PROCEEDINGS AND TESTIMONY: RECORD ON REVIEW

A complete record of all proceedings and testimony before the board at such hearing shall be taken down by a reporter appointed by the board. In case an action is brought to review any decision of the board, a transcript of such testimony, together with all exhibits or copies thereof introduced, together with the written request for hearing and other proceedings in the cause shall constitute the record on review; provided, however, that the board and other parties may stipulate in writing that a specified portion of the evidence be certified to the court for judgment and in such case the portion of the evidence specified and the stipulation, specifying such evidence shall be the record on review.

25815 - SAME: DECISION FINDINGS: MAILING COPIES

Within 30 days after submission of the case the board shall render its decision in writing together with written findings of fact. Copies of the findings and decision shall be sent forthwith to the petitioners and intervenors by registered mail, postage prepaid.

25816 - SAME: APPLICATION FOR WRIT OF MANDATE

Within 40 days after the mailing of the decision to the petitioner, the petitioner may apply for a writ of mandate in the manner provided in the Code of Civil Procedure. The complete record of the proceedings, or such parts thereof as are designated by the petitioner, shall be prepared by the district and shall be delivered to the petitioner within 30 days after a request therefor, upon payment of the expense of preparation and certification thereof.

25841 - POWER TO INCUR INDEBTEDNESS: LIMITATIONS

A district may borrow money and incur indebtedness, and may issue bonds or other evidences of indebtedness. No indebtedness shall be incurred exceeding the ordinary annual income and revenue of the district without the approval of a two-thirds vote of the voters voting on the proposition to incur such indebtedness; except that a further vote of the voters is not required for any indebtedness incurred within the purposes and not exceeding the available amount of any previously authorized bond issue, and as to such indebtedness the proceeds of any of the bonds unexpended in the treasury of the district, or the par value of any of the bonds which are unsold shall be deemed a part of the ordinary annual income and revenue of the district.

25841.5 - SAME: TEMPORARY BORROWING

A district may borrow money for the purpose of defraying the expenses of a district lawfully incurred after the commencement of the fiscal year, but prior to the time moneys from the tax levy for the fiscal year are received by a district, in a sum which shall not exceed five cents (\$.05) on each one hundred dollars (\$100) of assessed valuation of taxable property in a district at the time the moneys are borrowed, and may evidence such borrowing by notes bearing interest at a rate not to exceed six (6) percent per annum. The notes shall be payable from the tax levy from the then current fiscal year, which levy shall contain a sum sufficient to provide for the payment of the notes and the interest thereon. The form of said notes and the proceedings relating to their issuance and sale, will be governed by the applicable provisions contained in Article 7 (commencing at Section 53820) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code. The maturity of said notes shall not exceed two (2) years.

25842 - INDEBTEDNESS FOR PUBLIC WORKS

No district shall incur an indebtedness for public works which in the aggregate exceeds 20 percent of the assessed value of all the real and personal property within the district.

25843 - AMOUNTS EXCLUDED IN ASCERTAINING LIMIT OF INDEBTEDNESS

Indebtedness which has been incurred for the acquisition, construction, and operation of transit facilities, where the revenue from the transit facilities for three years or more next preceding has been sufficient to pay the interest and principal due on any bonds issued for its construction or acquisition, in addition to the cost of operation and maintenance, shall not be counted and included in ascertaining the limit of indebtedness.

25844 - FEDERAL AND STATE AID

A district may accept, without limitation by any other provisions of this division requiring approval of indebtedness, contributions or loans from the United States, this State, or any department, instrumentality, or agency of either thereof, for the purpose of financing the acquisition, construction, maintenance, and operation of transit facilities, and may enter into contracts and cooperate with, and accept cooperation from, the United States, this State, or any department, instrumentality, or agency of either thereof, in the acquisition, construction,

maintenance, and operation, and in financing the acquisition, construction, maintenance, and operation, of any such transit facilities in accordance with any legislation which Congress or the Legislature of the State of California may have heretofore adopted or may hereafter adopt, under which aid, assistance, and cooperation may be furnished by the United States or this State in the acquisition, construction, maintenance, and operation or in financing the acquisition, construction, maintenance, and operation of any such transit facilities. A district may do any and all things necessary in order to avail itself of such aid, assistance, and cooperation under any federal or state legislation now or hereafter enacted. Any evidence of indebtedness issued under this section shall constitute a negotiable instrument.

25845 - MORTGAGE AND EQUIPMENT TRUST AUTHORIZATION

The district may purchase equipment such as cars, trolley buses and motorbuses, and rolling equipment, and may execute agreements, leases and equipment trust certificates in the forms customarily used by private corporations engaged in the transit business appropriate to effect the purchase and leasing of rolling equipment and may dispose of the equipment trust certificates upon the terms and conditions as the board may deem appropriate. All money required to be paid by the district pursuant to the agreements, leases and equipment trust certificates provided for in this section shall be payable solely from the revenue or income to be derived from the transit facilities and from grants and loans as provided in Section 25844. Payment for equipment, or the rental of equipment, may be made in installments, and the deferred installments, may be evidenced by equipment trust certificates payable solely from revenue or income as provided in this section, and title to the equipment shall not vest in the district until the equipment trust certificates are paid.

25846 - SAME: ASSIGNMENT

The agreement to purchase or lease may direct the vendor or lessor to sell and assign or lease the rolling equipment to a bank or trust company, duly authorized to transact business in the State of California, as trustee, for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the rolling equipment to one or more designated officers of the district and may authorize the district to simultaneously execute and deliver an installment purchase agreement or a lease of the equipment to the district.

25847 - SAME: ACKNOWLEDGMENT AND AUTHORIZATION

The agreements and leases shall be duly acknowledged before a person authorized by law to take acknowledgments of deeds and in the form required for acknowledgment of deeds. The agreements, leases, and equipment trust certificates shall be authorized by resolution of the district and shall contain such covenants, conditions and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from the revenue or income to be derived from the transit system.

25848 - SAME: CONFLICT WITH OUTSTANDING AGREEMENTS

The covenants, conditions and provisions of the agreements, leases, and equipment trust certificates shall not conflict with any of the provisions of any trust agreement securing the payment of bonds,

notes or certificates of the district.

25849 - SAME: FILING OF AGREEMENT OR LEASE

An executed copy of each agreement or lease shall be filed in the Office of the Secretary of State, who will be entitled to receive one dollar (\$1) for each copy filed with him and which filing shall constitute notice to any subsequent judgment creditor or any subsequent purchaser. Each vehicle so purchased or leased shall have the name of the owner or lessor plainly marked on both sides thereof, followed by the appropriate words, "owner and lessor" or "owner and vendor," as the case may be.

Article 7. Investments

25871 - PERMISSIBLE INVESTMENTS

A district may invest any surplus money in its treasury, including money in any sinking fund, in any of the following:

(a) Its own bonds.

(b) Treasury notes, certificates of indebtedness, bills, bonds of the United States, or any other evidence of indebtedness secured by the full faith and credit of the United States.

(c) Obligations issued pursuant to the Federal Home Loan Bank Act or the National Housing Act.

(d) Treasury notes or bonds of this State, or of any public corporation, municipal corporation, public district, or political subdivision within this State which are legal as security for the deposit of public funds.

25872 - DIRECT OR SUBSEQUENT PURCHASE

Such investment may be made by direct purchase of any issue of such bonds, treasury notes, or obligations, or part thereof, at the original sale or by the subsequent purchase of the bonds, treasury notes, or obligations.

25873 - SALE, REINVESTMENT

Any bonds, treasury notes, or obligations purchased and held as investments by the district may from time to time be sold and the proceeds reinvested in bonds, treasury notes, or obligations as provided in this article.

25874 - APPLICATION OF PROCEEDS

Sales of any bonds, treasury notes, or obligations purchased and held by the district shall from time to time be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds, treasury notes, or obligations were originally purchased was placed in the treasury of the district.

Article 8. Taxation

25891 - POWER, PURPOSE OF TAX

A district may levy, and collect or cause to be collected, taxes for any lawful purpose.

25892 - INSUFFICIENT REVENUES

If, in the opinion of the board, the revenues will not be sufficient for any and all lawful purposes the board shall levy a tax for

such purpose or purposes and fix the amount of money necessary to be raised therefor by taxation.

25893 - TAXES FOR PAYMENT OF BOND PRINCIPAL AND INTEREST: SINKING FUND

The board shall, at the time of fixing the general tax levy and in the manner provided for the general tax levy, levy and collect annually until the district's bonds are paid, or until there is a sum in the treasury of the district set apart for that purpose to meet all sums coming due for principal and interest on the bonds as they become due a tax sufficient to pay the annual interest on the bonds and such part of the principal thereof as becomes due before the proceeds of a tax levied at the next general tax levy will be available. If the maturity of the indebtedness created by the issue of bonds begins more than one year after the date of the issuance thereof, the tax shall be levied and collected annually at the time and in the manner aforesaid, sufficient to pay the interest on the indebtedness as it falls due and to constitute a sinking fund for the payment of the principal on or before maturity.

25894 - SAME: LEVIED IN ADDITION TO OTHER TAXES

The taxes required to be levied and collected on account of interest, principal, and sinking fund of district bonds shall be in addition to all other taxes levied for district purposes, and shall be collected at the time and in the same manner as other district taxes are collected, and be used for no other purpose than the payment of the bonds and accruing interest.

25895 - TAX SALE, ETC.

The board may provide for the assessment, levy, and collection of taxes by the district, including the sale of property to the district for delinquent taxes, with penalties, interest, and cost.

25896 - ASSESSMENT, ETC., BY COUNTY OFFICERS

The board may elect to avail itself of the assessments made by the assessors of the counties in which the district is situated, and of the assessments made by the State Board of Equalization for those counties, and may take such assessments as the basis for district taxation and have its taxes collected by the county officials if the board declares its election so to do by resolution or ordinance and files a certified copy of the resolution or ordinance on or before the first day of August with the auditors of the counties in which the district is situated. Thereafter, each year and until otherwise provided by the board, all assessments shall be made for the district by the State Board of Equalization and the county assessors, and all taxes shall be collected for the district by the tax collectors, of the counties in which the district is situated.

25897 - SAME: TRANSMISSION OF STATEMENT TO BOARD

In such case the county auditor shall, on or before the third Monday in August of each year, transmit to the board a statement in writing showing the total value of all property within the district, ascertained from the assessments referred to in Section 25896 as equalized.

25898 - RATE OF TAXES

In case the board elects to avail itself of the assessments referred to in Section 25896 it shall, on or before the first weekday in September, or if such weekday falls upon a holiday then on the first business day thereafter, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property transmitted to the board by the county auditors, which rate of taxation shall be sufficient to raise the amount previously fixed by the board. These acts by the board shall constitute a valid assessment of the property and a valid levy of the taxes so fixed.

25899 - SAME: TRANSMISSION TO COUNTY AUDITOR

The board shall immediately after fixing the rate of taxes as above provided transmit to the county auditors of the counties in which the district is situated a statement of the rate of taxes fixed by the board.

25900 - SAME: COLLECTION OF TAXES: PAYMENT TO DISTRICT TREASURER

The district's taxes so levied shall be collected at the same time and in the same manner as county taxes. When collected the net amount, ascertained as provided in this article, shall be paid to the treasurer of the district, under the general requirements and penalties provided by law for the settlement of other taxes. The district may adopt the alternative procedure of tax collection and apportionment established by Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code and any amendments thereof; provided, however, that the district may thereafter abandon said alternative procedure at the end of any fiscal year of the district.

25901 - REDEMPTION PROCEEDS

Whenever any real property situate in any district which has availed itself of the provisions of Section 25896 has been sold for taxes and has been redeemed, the money paid for redemption shall be apportioned and paid to the district by the county treasurers receiving it in the proportion which the tax due to the districts bears to the total tax for which the property was sold.

25902 - COMPENSATION TO COUNTY

The compensation to be charged by and paid to any county for the performance of services under this article shall be fixed by agreement between the board of supervisors of the county and the board. The compensation shall in no event exceed one-half of 1 percent of all money collected for the district. The compensation collected by the county shall be placed to the credit of the county salary fund.

25903 - TAX LIEN

All taxes levied under this division are a lien on the property on which they are levied. Unless the board has by ordinance otherwise provided, the enforcement of the collection of such taxes shall be in the same manner and by the same means provided by law for the enforcement of liens for county taxes, all the provisions of law relating to the enforcement of the latter being made a part of this division, so far as applicable.

25904 - TAX LIMIT OUTSIDE AREA OF SPECIAL TRANSIT SERVICE DISTRICT

Whenever one or more special transit service districts are created and established pursuant to Chapter 10.5 (commencing at Section 27401), taxes in excess of one cent (\$.01) per one hundred dollars (\$100) of assessed valuation shall not thereafter be levied against any property not within the boundaries of a special transit service district, excepting, however, taxes sufficient to pay the principal or interest or both on any bonded indebtedness theretofore or thereafter incurred by a district as a whole. The creation of a special transit service district does not invalidate, in any manner, any taxes or assessments previously levied or assessed against any property of the district, either within or without the boundaries of a special transit service district.

Article 9. Claims

25951 - CLAIMS AGAINST DISTRICT

All claims for money or damages against the 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 except as provided therein, or by other statutes or regulations expressly applicable thereto.

CHAPTER 7. - BONDS

Article 1. Issuance

26201 - POWER TO INCUR BONDED INDEBTEDNESS

A district may from time to time incur a bonded indebtedness as provided in this chapter to pay the cost of acquiring, constructing, or completing the whole or any portion of any transit facilities, or for acquiring any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes, or powers of the district.

26202 - ORDINANCE FOR SUBMISSION OF BOND ISSUE TO VOTERS

Whenever the board by resolution passed by vote of two-thirds of all its members determines that the public interest or necessity demands the acquisition, construction, or completion by the district of any transit facilities or any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, the cost of which will be too great to be paid out of the ordinary annual income and revenue of the district, it may at any subsequent meeting of the board provide by ordinance for the submission of the proposition of incurring a bonded indebtedness for the purpose set forth in the resolution to the voters of the district at a special bond election held for that purpose.

26203 - PETITION BY VOTERS FOR ISSUANCE OF BONDS

In lieu of a resolution passed by the board, proceedings for the issuance of bonds for the purposes provided in this chapter may be initiated by petition of the voters of the district.

26204 - SAME: NUMBER OF SIGNERS: CONTENTS: VERIFICATION: CERTIFICATION

Whenever any petition signed by voters within the district equal in number to at least 15 percent of the total vote cast is presented to the board asking for the acquisition, construction, or completion of the

whole or any portion of any transit facilities or for acquiring any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, and also asking that a bonded indebtedness be incurred to pay for the cost thereof, the secretary of the district shall immediately examine and verify the signatures of the petition and certify the result of the examination to the board.

26205 - SAME: TRANSMISSION TO BOARD

If the required number of signatures is found to be genuine, the secretary shall transmit to the board an authentic copy of the petition without the signatures.

26206 - SAME: FORMULATION OF BOND ISSUE PROPOSITION

Upon receiving a petition with the certificate of the secretary stating that it contains the required number of signatures, the board shall formulate for submission to the voters of the district at a special bond election called for that purpose the proposition of incurring a bonded indebtedness for the purposes set forth in the petition. In its discretion the board may defer the calling of the election until the next general election to be held in the district in order to consolidate them.

26207 - ORDINANCE CALLING SPECIAL BOND ELECTION: REQUISITES

The ordinance calling a special bond election shall fix the date on which the election will be held, and the manner of holding the election and of voting for or against incurring the indebtedness. It shall also recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated cost of the transit facilities, works, lands, structures, rights, equipment, or other property proposed to be acquired, constructed, or completed, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on the indebtedness, which shall not exceed 6 percent per annum, payable semiannually or annually the first year and thereafter semiannually.

26208 - BOND ELECTION: SEVERAL PURPOSES

Propositions for incurring indebtedness for more than one object or purpose may be submitted at the same election.

26209 - SAME: SEPARATE OR CONSOLIDATED: PROCEDURE ON CONSOLIDATED ELECTION

Any special bond election may be held separately, or may be consolidated with any other election authorized by law at which the voters of the district may vote. If a special bond election is consolidated with any other election, the provisions of this chapter setting forth the procedure for the calling and holding of the special bond election shall be complied with, except that the ordinance calling the election need not set forth the election precincts, polling places, and officers of election, but may provide that the precincts, polling places, and officers of election shall be the same as those set forth in the ordinance, notice, or other proceedings calling the election with which the special bond election is consolidated, and shall refer to the ordinance, notice, or other proceedings by number and title, or by other definite description.

26210 - PUBLICATION OF ORDINANCE

The ordinance shall be published, and no other notice of election need be given.

26210.5 - BALLOT ARGUMENTS AND ANALYSIS

The board shall comply with the provisions of Article 3 (commencing at Section 1670) of Chapter 2 of Division 4 of the Elections Code, the provisions of which are applicable to any bond election held pursuant to this article. Wherever the words "county clerk" appear in the Elections Code the words "secretary of the board" shall be substituted, for the purposes of this article, and wherever the words "board of supervisors" appear in the Elections Code, the words "board of directors" shall be substituted, and wherever the words "district attorney or county counsel" appear in the Elections Code, the words "attorney for the district" shall be substituted.

26211 - VOTE REQUIREMENT

The votes of two-thirds of all the voters voting on the proposition at the election are required to authorize the issuance of bonds under this chapter.

26212 - EFFECT OF FAILURE TO RECEIVE REQUIRED NUMBER OF VOTES

If the proposition submitted at a special bond election fails to receive the requisite number of votes, the board shall not within six months after the election hold another special election for the submission of a proposition of incurring a bonded indebtedness substantially the same as the proposition voted upon at the prior election unless a petition signed by voters within the district equal in number to at least 15 percent of the total vote cast is filed with the board, requesting that the proposition, or a proposition substantially the same, be submitted at an election to be called for that purpose.

Article 2. Form and Content

26241 - BONDS: MATURITY: ISSUANCE IN SERIES: ISSUANCE OF TEMPORARY BONDS OR CERTIFICATES

Bonds authorized by this chapter shall mature serially in amounts to be fixed by the board; except that payment shall begin not later than 10 years from the date thereof and shall be completed in not more than 50 years from that date.

The board may divide any issue of bonds authorized pursuant to this chapter into two or more series, and may fix different dates of issuance and different maturity dates for the bonds of each series. The bonds of each series shall mature serially in amounts to be fixed by the board, and the board shall fix a date not more than 10 years from the date of issuance of each series for the earliest maturity of such series, and shall fix a date not more than 50 years from the date of issuance of each series for the final maturity of such series.

Pending the actual issuance or delivery of bonds, a district may issue temporary or interim bonds, certificates, or receipts of any denomination whatsoever, with or without coupon, and in such form as may be prescribed by the board, to be exchanged for definitive bonds when ready for delivery.

26242 - SAME: DENOMINATIONS: WHEN AND WHERE PAYABLE

The bonds shall be issued in such denominations as the board determines, except that no bonds shall be of a denomination less than one hundred dollars (\$100), nor of a greater denomination than one thousand dollars (1,000) or any multiple thereof, and shall be payable on the day and at the place or places fixed in the bonds, and with interest at the rate specified therein, payable semiannually.

26243 - SAME: CALL AND REDEMPTION PRIOR TO FIXED MATURITY

The board may at any time prior to the issuance and sale of any bonds provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity at not exceeding the par value and accrued interest plus a premium of not exceeding 5 percent upon the principal amount of the bonds, in which event the call price fixed by the board shall be set forth on the face of the bond. Notice of such redemption shall be published. If there is no newspaper of general circulation printed and published within the district, then the publication shall be made in a newspaper of general circulation printed and published within the county in which the district or any part thereof is situated. The first publication shall be at least 30 days prior to the date fixed for the redemption. After the date fixed for such redemption interest on the bonds thereafter shall cease.

26244 - SAME: EXECUTION: NUMBERING: SIGNATURES AND COUNTER SIGNATURES

The bonds shall be signed by the president of the board or by such officer of the district as the board shall by resolution authorize and designate for that purpose. They shall also be signed by the treasurer, and be countersigned by the secretary. The coupons of the bonds shall be numbered consecutively and be signed by the treasurer. All signatures and countersignatures, except one of said signatures or countersignatures on the bonds, may be printed, lithographed, or engraved. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before the delivery of the bonds to the purchaser, the signature or countersignature is nevertheless valid and sufficient for all purposes as if he had remained in office until the delivery of the bonds.

Article 3. Issue and Sale

26261 - ISSUE AND SALE OF BONDS

The bonds may be issued and sold for not less than their par value, but otherwise as the board determines. Before selling any bonds, or any part thereof, the board shall give notice inviting sealed bids in such manner as the board may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either again give notice inviting bids or sell the bonds at private sale.

26262 - DISPOSITION OF PREMIUMS AND INTEREST

All premiums and accrued interest received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds. The remainder of the proceeds of the bonds shall be placed in the district treasury to the credit of the proper fund, and shall be used exclusively for the objects or purposes for which the bonds were voted; provided that when said objects and purposes have been accomplished any moneys remaining shall be transferred to the fund to be used for the payment of principal of an interest on the bonds, and that when all principal of and interest on the bonds shall have been paid, any balance of money then remaining shall be transferred to the general fund of the district.

26263 - INTEREST DURING CONSTRUCTION, ETC.

In lieu of the immediate levy of a tax to pay the interest or any part thereof on any bonded indebtedness incurred in accordance with this division, the board may in the estimate of the amount of money necessary to be raised by the bonds include a sum sufficient to pay interest on all of the bonds or part thereof during the period of acquisition, construction, or completion, but for no period in excess of five years.

Article 4. Refunding

26281 - RESOLUTION TO REFUND

Whenever the board by resolution passed by a vote of two-thirds of all its members determines that the refunding of the whole or any portion of the bonded indebtedness will be of advantage to the district the board may refund the bonded indebtedness or any portion thereof and issue refunding bonds of the district therefor.

26282 - SAME: EFFECT OF ISSUANCE: VOTE: REDEMPTION

The issuance of refunding bonds shall not be construed as the incurring or increase of an indebtedness within the meaning of this division, and the approval of the voters is not required for the issuance of refunding bonds. The board may provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity in the ordinance authorizing the issuance of the refunding bonds.

26283 - CHAPTER TO GOVERN

Except as otherwise provided, the provisions of this chapter shall substantially govern as to all matters pertaining to the issuance of refunding bonds, including and without limiting the generality of the foregoing, the form, execution, issuance, maturity, redemption, refunding, validation, the payment of interest from bond funds, and the status of the bonds as investments.

26284 - INTEREST: MATURITY

Refunding bonds shall bear interest at a rate not exceeding the interest rate on the refunding bonds, but payment of the refunding bonds shall begin not later than one year from the date thereof and be completed in not more than 40 years from that date.

26285 - DISPOSITION OF PROCEEDS

The proceeds of the sale of refunding bonds shall be applied only to the purchase, or retirement at not more than par and accrued interest, or the call price, of the bonded indebtedness for which the refunding bonds were issued.

26286 - EXCHANGE OF BONDS

In lieu of selling refunding bonds and using the proceeds to purchase or retire the bonds to be refunded, the board may exchange refunding bonds at not less than par and accrued interest for the bonds so refunded.

26287 - SURRENDER, CANCELLATION, OF REFUNDED BONDS

Whenever outstanding bonds are refunded they shall be surrendered to the treasurer of the district, who shall cancel them by endorsing on their face the manner in which the refunding was effected (whether by exchange or purchase, and the amount for which so purchased, if any) and by perforating through each bond and each coupon attached thereto the word "canceled" together with the date of cancellation.

Article 5. Status as Investments

26311 - BONDS AS LEGAL INVESTMENTS

All bonds including refunding bonds issued by a district are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, and trust companies, and for the State School Fund and for all sinking funds under the control of the State Treasurer. Whenever any money or funds may by law be invested in or loaned upon the security of bonds of cities, cities and counties, counties, or school districts, in the State, such money or funds may be invested in or loaned upon the security of the bonds of a district; and whenever bonds of cities, cities and counties, counties, or school districts by law may be used as security for the faithful performance or execution of any court or private trust or of any other act, bonds of the district may be so used.

26312 - BONDS AS LEGAL SECURITY

All bonds of the district, to the same extent as bonds of any other municipality, are legal for use by any state or national bank or banks in the State as security for the deposit of funds of the State or of any county, city and county, city, municipality, or other public or municipal corporation within the State.

Article 6. Validation

26341 - ACTION TO DETERMINE VALIDITY OF BONDS

An action to determine the validity of bonds may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

26342 - PROCEEDING IN REM: PUBLICATION OF SUMMONS

The action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested may be had by publication of summons for at least once a week for three weeks in some paper of general circulation published in the county where the action is pending, such paper to be designated by the court having jurisdiction of the proceedings.

26343 - JURISDICTION: APPEARANCES

Jurisdiction is complete within 10 days after the full publication of the summons in the manner herein provided. Anyone interested may at any time before the expiration of the 10 days appear and by proper proceedings contest the validity of the bonds.

26344 - CONSOLIDATION OF ACTIONS

If there is more than one action or proceeding involving the validity of any such bonds, they shall be consolidated and tried together.

26345 - SUBSTANTIAL RIGHTS OF PARTIES

The court hearing any proceeding or action inquiring into the regularity, legality, or correctness of the proceedings leading up to the issuance of bonds or the validity of bonds shall disregard any error, irregularity, or omission which does not affect the substantial rights of the parties to the action or proceeding.

26346 - RULES OF PLEADING AND PRACTICE, NEW TRIAL, COSTS

The rules of pleading and practice provided by the Code of Civil Procedure which are not inconsistent with the provisions of this division, are applicable to all actions or proceedings herein provided for. The motion for a new trial of any such action or proceeding shall be heard and determined within 10 days from the filing of the notice of intention. The costs on any proceeding or action herein provided for may be allowed and apportioned between the parties, or taxed to the losing party in the discretion of the court.

26347 - JUDGMENT, APPEAL

The action shall be speedily tried and judgment rendered declaring the bonds valid or invalid. Either party may appeal to the Supreme Court at any time within 30 days after the rendition of judgment, which appeal shall be heard and determined within three months from the time of taking the appeal.

26348 - LIMITATION ON ACTION

After the expiration of 90 days from the date of a bond election or the date of the resolution authorizing the issuance of refunding bonds, no action may be brought by any person to contest or question the validity of the bonds and the proceedings leading up to their issuance.

Article 7. Revenue Bonds

26351 - AUTHORIZATION TO ISSUE

As an alternative procedure for the raising of funds, a district created pursuant to this part is authorized to issue bonds, payable from revenues of any facility or enterprise to be acquired or constructed by a district, in the manner provided by the Revenue Bond Law of 1941.

(Chapter 6 (commencing at Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), all of the provisions of which are applicable to a district created pursuant to this part.

26352 - REVENUE BOND LAW OF 1941 APPLICABLE TO DISTRICT

A district created pursuant to this part is a local agency within the meaning of the Revenue Bond Law of 1941 (Chapter 6 (commencing at Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code). The term "enterprise" as used in the Revenue Bond Law of 1941 shall, for all purposes of this part, include transit facilities and any and all parts thereof and all additions, extensions and improvements thereto and all other facilities authorized to be acquired, constructed or completed by a district under this part. A district may issue revenue bonds under the Revenue Bond Law of 1941, for any one or more facilities or enterprises authorized to be acquired, constructed, or completed by a district or, in the alternative, may issue revenue bonds under the Revenue Bond Law of 1941, for the acquisition, construction and completion of any one of such facilities. Nothing in this article shall prevent a district from availing itself of, or making use of, any procedure provided in this part for the issuance of bonds of any type of character for any of the facilities or works authorized hereunder, and all proceedings may be carried on simultaneously or, in the alternative, as the directors may determine.

CHAPTER 8. ANNEXATION OF CITIES

Article I. Annexation Agreement

26401 - AUTHORIZATION

Any city not included within the boundaries of a district may be annexed thereto in the manner provided in this chapter.

26402 - AGREEMENT IN WRITING BY CITY AS TO TERMS AND CONDITIONS OF ANNEXATION

The legislative body of the city proposed to be annexed shall agree in writing with the board upon the terms and conditions of annexation, which agreement (among other things) may provide for the levy and collection of special taxes within the city in addition to the taxes elsewhere in this division provided for, the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the district, the incurring or assumption of indebtedness, or the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the city.

26403 - ANNEXATION TO ANY EXISTING SPECIAL TRANSIT SERVICE DISTRICT

The annexation agreement may also provide that the city's annexation to the district shall constitute annexation to any existing special transit service district. Approval of the annexation by the voters, pursuant to this chapter, if the annexation agreement includes provision for inclusion in a special transit service district, shall constitute full compliance with the provisions of Article 6 (commencing at Section 27461) of Chapter 10.5.

26404 - ANNEXATION BY PETITION OF VOTERS

As an alternative to commencement of annexation proceedings by action of the legislative body of a city, a petition signed by voters within the city proposed to be annexed, equal in number to at least ten (10) percent of the total vote cast, and asking that proceedings be taken for its annexation, may be addressed to the board and filed with the secretary of the district.

26405 - SAME: AFFIDAVITS: SUFFICIENCY: PRESENTATION TO BOARD

The petition may include one or more separate documents, but each document shall contain the affidavit of the party who circulated it, certifying that each name signed thereto is the true signature of the person whose name it purports to be. The secretary of the district shall compare the signatures on the petition with the affidavits of registration on file with the county clerk and if he finds that the petition has been signed by the required number of voters he shall attach his signature thereto and present the petition to the board.

26406 - TERMS AND CONDITIONS: ANNEXATION AGREEMENT

If the board determines that the annexation of the city, whose voters have petitioned pursuant to Section 26404, would facilitate the acquisition or operation of any transit facilities for the district or be of advantage to the district, then the board shall also determine the terms and conditions upon which the annexation should be made. The terms and conditions of annexation shall be embodied in an annexation agreement. The annexation agreement may provide (among other things) for any or all of the items set forth in Sections 26402 and 26403.

Article 2. Approval by District

26421 - WHEN AGREEMENT EFFECTIVE AND BINDING

The agreement shall become effective and be binding upon the district and the city when approved in the manner set forth in this chapter.

BOARD ORDINANCE

The board shall by ordinance setting forth the agreement at length declare its intention of causing it to be executed by the district.

26422 - PUBLICATION OF ORDINANCE, TIME FOR HEARING

The ordinance, together with a notice fixing the time and place for hearing thereon, shall be published in the district pursuant to Section 6061 of the Government Code. The time fixed for the hearing shall be not less than 30 nor more than 60 days from the date of the publication of the ordinance.

26423 - HEARING: OBJECTIONS

At the hearing any person interested may file with the board written objections to the execution of the agreement.

26424 - SAME: DETERMINATION, EFFECT OF FAILURE TO SHOW CAUSE

Upon the hearing the board shall determine whether or not the agreement will be carried into execution and shall hear and determine all objections thereto. Failure of any person interested in the district or in the matter of the proposed execution of the agreement to show cause in writing pursuant to Section 26423 constitutes an assent on his part

to a change in the boundaries of the district and to the execution of the agreement.

26425 - SAME: ADJOURNMENT

Any hearing on the agreement may be adjourned from time to time by the board without further notice other than an order to be entered upon the minutes of the meeting fixing the time and place of adjournment.

26426 - APPROVAL AND AUTHORIZATION OF EXECUTION OF AGREEMENT

If no protests are filed or if the protests filed are overruled and denied the board shall thereupon by resolution finally approve the agreement and authorize its execution, which shall become effective when executed by the city, duly authorized in the manner provided in this chapter.

26427 - EXECUTION, FILING OF AGREEMENT

When executed by the district the agreement shall be dated and an executed copy filed with the secretary of the district. An executed copy shall also be filed with the clerk of the city to be annexed.

Article 3. Approval by City

26451 - ELECTION

At any time after the board has finally approved the agreement of annexation the legislative body of the city to be annexed shall cause an election to be held in the city to determine whether the city will be annexed to the district upon the terms and conditions stated in the agreement.

26452 - PUBLICATION OF ELECTION NOTICE: CONTENTS

Notice of election shall be published as provided in Section 24533 and shall either state that a copy of the annexation agreement is on file in the office of the secretary or clerk of the city proposed to be annexed, and open to the inspection of all persons interested, or set forth the terms and conditions of the agreement of annexation at length, in the discretion of the legislative body calling the election.

26453 - BALLOTS

The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition shall set forth the proposition of annexation substantially as follows:

Shall the _____(city) be annexed _____transit district in accordance with and subject to all of the terms and conditions of an agreement of annexation dated _____ now on file in the office of the clerk of _____(city)?	YES	
	NO	

26454 - VOTE

If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were cast in favor of the annexation, the proposition and all of the terms and conditions of the agreement of annexation shall be deemed carried and approved by the voters; except that if the terms and conditions of the agreement of annexation provide for the assumption of any indebtedness of the district by any

city proposed to be annexed, the proposition of annexation shall not be deemed carried unless approved by the vote of two-thirds of all the voters voting on the proposition at the election.

26455 - FAILURE TO CARRY: ENTRY OF RESULT

If the proposition fails to carry, the result shall be entered upon the minutes of the governing body of the city.

26456 - FAVORABLE VOTE, EXECUTION OF AGREEMENT

If the proposition receives the vote of the requisite majority of voters the governing body of the city shall enter in its minutes an order declaring the result of the election and shall thereupon cause the agreement of annexation to be executed by its duly authorized officers.

Article 4. Establishment of Annexation

26486 - RESOLUTION DECLARING ANNEXATION: FILING

Upon receipt by the district of a copy of the agreement of annexation properly executed by the district and the city proposed to be annexed the board shall pass a resolution declaring the city annexed to the district, and shall cause a certified copy of the resolution to be filed with the Secretary of State. From and after the date of filing of the resolution with the Secretary of State the annexation of the city to the district is complete.

Article 5. Annexation of Territory to Cities

26511 - ORDINANCE OR RESOLUTION TO COMPLETE ANNEXATION: FAILURE TO FILE OBJECTIONS: STATUS OF TERRITORY ANNEXED

Upon the completion of the annexation of any territory in accordance with law to any city included or partially included in the district, the city clerk shall file with the secretary of the district a certified copy of the ordinance, resolution or other document completing said annexation, containing a description of the territory so annexed. Unless the district within 90 days after such filing shall file with the city clerk the district's written objections to the annexation to the district of said territory or portion thereof, such territory, or portion thereof, not objected to by the district shall, upon the termination of such period be deemed incorporated into and annexed to the district, and thereafter is subject to taxation, along with the entire territory of the district in accordance with the assessable valuation of the property thereof, for general district purposes, and for the payment of any indebtedness theretofore or thereafter incurred by the district.

26512 - FILING OF OBJECTIONS: WITHDRAWAL OF OBJECTIONS

If the district shall file its objections in the manner aforesaid to the annexation to the district of such territory or portion thereof, the territory, or portion thereof, shall not be annexed to the district except in the manner provided in Articles 1 (commencing with Section 26401), 2 (commencing with Section 26421), 3 (commencing with Section 26451) and 4 (commencing with Section 26486) of this chapter. The district may withdraw such objections by filing with the city clerk a certified copy of a resolution of the board stating that such objections are withdrawn. Thereupon said territory, or portion thereof, shall be deemed incorporated into and annexed to the district as provided in Section 26511.

Article 6. Effect of Annexation

26531 - TAX LEVY, ETC.

From and after the date of annexation the board shall levy upon all of the property in the city annexed such taxes, tolls, or charges as are necessary to provide funds for the payment of the indebtedness assumed by the city or otherwise necessary to comply with the terms and conditions of the annexation agreement, all in addition to the general district taxes authorized elsewhere in this division to be levied and collected.

26532 - LEGAL EXISTENCE CONTINUED

No annexation of a city to a district shall operate to dissolve or terminate the legal existence of the city annexed.

Article 7. Contest of Annexation

26551 - LIMITATION

The validity of any proceedings for the annexation of any city to any district shall not be contested in any action unless the action is brought within three months after the completion of the proceedings.

CHAPTER 9. ANNEXATION OF UNINCORPORATED TERRITORY

Article 1. Annexation Agreement

26651 - AUTHORIZATION

Unincorporated territory may be annexed to a district in the manner provided in this chapter.

26652 - NONCONTIGUOUS TERRITORY

Unincorporated territory not contiguous to a district may not be annexed if the district does not possess facilities for supplying transit service to that territory.

26653 - PETITION

A petition signed by voters within the territory proposed to be annexed equal in number to at least 10 percent of the total vote cast, describing the territory and asking that proceedings be taken for its annexation, shall be addressed to the board and filed with the secretary of the district.

26654 - SAME: SUFFICIENCY: PRESENTATION TO BOARD

The secretary shall compare the signatures on the petition with the affidavits of registration on file with the county clerk and if he finds that the petition has been signed by the required number of voters he shall attach his signature thereto and present the petition to the board.

26655 - TERMS AND CONDITIONS

If the board determines that the annexation of the territory would facilitate the acquisition or operation of any transit facilities for the district, or be of advantage to the district, then the board shall also determine the terms and conditions upon which the annexation should be made.

26656 - SAME: DIFFERING RATES, RENTALS, INCURRING OF INDEBTEDNESS, ETC., EFFECTIVE AND BINDING WHEN APPROVED

Provisions may be made (among other things) for payment of taxes within the territory to be annexed in addition to the taxes elsewhere in this division provided for, the fixing of rates, rentals and charges differing from those fixed or existing elsewhere within the district, the incurring or assumption of indebtedness, or the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the territory proposed to be annexed. The boundaries of the territory proposed to be annexed need not be coterminous with any election precincts. The terms and conditions shall become effective and be binding upon the district and the territory to be annexed when approved in the manner set forth in this chapter.

26657 - SAME: MAY CONSTITUTE ANNEXATION TO SPECIAL TRANSIT SERVICE DISTRICT

The annexation agreement may also provide that the unincorporated territory's annexation to the district shall constitute annexation to any existing special transit service district. Approval of the annexation by the voters, pursuant to this chapter, if the agreement includes provision for inclusion in a special transit service district, shall constitute full compliance with the provisions of Article 6 (commencing at Section 27461) of Chapter 10.5.

26658 - AGREEMENT IN WRITING IN LIEU OF PETITION

As an alternative to commencement of annexation proceedings by a petition by the voters within any unincorporated territory, proposed to be annexed, the legislative body of an unincorporated territory may agree in writing upon the terms and conditions of annexation, which agreement may contain (among other things) provisions as set forth in Sections 26656 and 26657.

Article 2. Approval by District

26681 - BOARD ORDINANCE

The board shall by ordinance setting forth the terms and conditions at length declare its intention of causing the agreement to be approved by the district.

26682 - PUBLICATION OF ORDINANCE. TIME FOR HEARING

The ordinance together with a notice fixing the time and place for hearing thereon shall be published in the district pursuant to Section 6061 of the Government Code. A copy of the ordinance shall be filed with the secretary of the District. The time fixed for hearing shall not be less than 30 nor more than 60 days from the date of the publication of the ordinance.

26683 - HEARING: OBJECTIONS

At the hearing any person interested may file with the board written objections to the approval of the terms and conditions.

26684 - SAME: DETERMINATION, EFFECT OF FAILURE TO SHOW CAUSE

Upon the hearing the board shall determine whether or not the terms and conditions will be approved and shall hear and determine all objections thereto. Failure of any person interested in the district or in the matter of the proposed annexation on the terms and

conditions set forth in the ordinance to show cause in writing pursuant to Section 26683 constitutes an assent on his part to a change in the boundaries of the district upon the terms and conditions set forth.

26685 - SAME ADJOURNMENT

Any hearing on the agreement may be adjourned from time to time by the board, not exceeding 30 days in all, without further notice other than an order entered upon the minutes of the meeting fixing the time and place of adjournment.

26686 - APPROVAL BY RESOLUTION

If no protests are filed or the protests filed are overruled and denied by the board the board shall thereupon by resolution finally approve the terms and conditions and proceed with the annexation in the manner provided in this chapter.

26687 - PROCEDURE WHEN PROTESTS TO ANNEXATION SUSTAINED

If protests against the proposed annexation are sustained, all proceedings shall be dismissed and no proceedings shall be undertaken again concerning the territory or any part thereof until after the expiration of one year.

Article 3. APPROVAL BY UNINCORPORATED TERRITORY

27011 - ELECTION

Within 90 days after the board has finally approved the terms and conditions of annexation the board shall cause an election to be held in the territory proposed to be annexed to determine whether the territory shall be annexed to the district upon the terms and conditions stated in the ordinance.

27012 - PUBLICATION OF ELECTION NOTICE: CONTENTS

Notice of election shall be published and shall either state that a copy of the ordinance containing the terms and conditions of annexation at length is on file in the office of the secretary of the district, and open to the inspection of all persons interested, or itself set forth the terms and conditions of annexation at length, in the discretion of the board.

27013 - BALLOTS

The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition shall set forth the proposition of annexation substantially as follows:

Shall the territory described in the petition filed with the secretary of the _____ transit district on the _____ day of _____ be annexed to the transit district _____ YES
in accordance with and subject to all of the terms _____
and conditions set forth in that certain ordinance
passed by the board of directors of the transit dis- NO
trict on the _____ day of _____, a copy
of which is now on file in the office of the secretary
of the transit district?

27014 - FAVORABLE VOTE

If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were cast in favor of the annexation, the proposition and all of the terms and conditions set forth in the ordinance shall be deemed carried and approved by the voters.

27015 - FAILURE TO CARRY: ENTRY OF RESULT

If the proposition fails to carry, the result shall be entered upon the minutes of the board.

27016 - UNFAVORABLE VOTE: LIMITATION ON NEW PROCEEDINGS

If the proposition is defeated by the voters, no annexation proceeding shall be commenced involving the territory or any part thereof until after the expiration of one year.

Article 4. Establishment of Annexation

27041 - RESOLUTION DECLARING ANNEXATION: FILING

In the event the proposition receives the vote of the requisite majority of voters the board shall pass a resolution declaring the territory annexed to the district, and shall cause a certified copy of the resolution to be filed with the Secretary of State, from and after the date of which filing with the Secretary of State the annexation of the territory to the district is complete.

Article 5. Annexation without Election

27061 - AUTHORIZATION

Unincorporated territory may be annexed to a district without an election in the manner provided in this article.

27062 - ANNEXATION PETITION

A petition describing the territory proposed to be annexed and requesting that proceedings be taken for its annexation shall be signed by all of the owners of the real property described therein, verified by the affidavit of one of the petitioners, addressed to the board, and filed with the secretary of the district. If a portion of the territory consists of public highways, streets, roads or paths, it shall not be necessary to secure the signatures to the petition of the owners only of the real property occupied by such public highways, streets, roads or paths.

27063 - HEARING, ANNEXATION RESOLUTION: FILING

Proceedings shall thereafter be taken and a hearing held in substantial compliance with the provisions of this chapter relating to the annexation of unincorporated territory except that no election shall be held within the territory proposed to be annexed and the territory shall be deemed annexed to the district upon the passage of a resolution of the board declaring the territory annexed and the filing of a certified copy thereof with the Secretary of State.

Article 6. Effect of Annexation

27091 - TAX LEVY, ETC.

From and after the date of annexation the board shall levy upon all of the property in the territory annexed such taxes, tolls, or

charges as are necessary to provide funds for the payment of the indebtedness assumed by the territory or otherwise necessary to comply with the terms and conditions of the annexation, all in addition to the general district taxes authorized elsewhere in this division to be levied and collected.

Article 7. Contest of Annexation

27111 - LIMITATION

The validity of any proceedings for the annexation of any unincorporated territory to any district shall not be contested in any action unless the action is brought within three months after the completion of the proceedings.

CHAPTER 10 EXCLUSION OF TERRITORY

Article 1. Exclusion of Unincorporated Territory

27251 - CONDITIONS, PETITION

Any territory contained within a district not being served by any transit facilities of the district and not included within the boundaries of any incorporated city and not benefited in any manner by the district or by its continued inclusion therein may be excluded therefrom by order of the board upon the verified petition of the owners in fee of lands whose assessed value with improvements is in excess of one-half of the assessed value of all the lands with improvements held in private ownership in the territory sought to be excluded.

27252 - PETITION: CONTENT

The petition shall describe the territory sought to be excluded and shall set forth that the territory is not benefited in any manner by the district or by its continued inclusion therein, and shall pray that the territory be excluded from the district.

27253 - SAME: FILING DEPOSIT

The petition shall be filed with the secretary of the district and shall be accompanied by a deposit with the secretary of the sum of one hundred dollars (\$100) to meet the expenses of advertising and other costs incident to the proceedings for the exclusion of the territory, including the cost of recording a certified copy of the order provided for in this chapter. Any unconsumed balance of the deposit shall be returned to the petitioners.

27254 - SETTING PETITION FOR HEARING; PUBLICATION OF NOTICE: CONTENTS

Upon the filing of the petition the secretary shall cause it to be set for hearing at a regular or adjourned regular meeting of the board and shall cause a notice of the filing thereof to be published. The notice shall also state the date of the filing of the petition and that it will come on for hearing before the board and shall state the time and place of the hearing. The time fixed for hearing shall not be less than 30 days from the date of the first publication of the notice. The property to be excluded may or may not be specifically described in the notice, but if not described the notice shall refer to the petition on file with the secretary for a particular description of the property sought to be excluded.

27255 - HEARING: APPEARANCES

Any landowner or taxpayer within the district may appear at the hearing either in behalf of or in opposition to the granting of the petition.

27256 - SAME: TIME AND PLACE

The petition shall come on for hearing before the board at the time and place specified in the notice of hearing.

27257 - ORDER OF EXCLUSION

If upon the hearing the board determines that it is for the best interests of the district that the lands mentioned in the petition or some portion thereof be excluded from the district, or if it appears that the lands or some portion thereof will not be benefited by their continued inclusion in this district, then the board shall make an order that the lands, or such portion thereof as the board may determine, be excluded from the district, describing specifically the lands so excluded.

27258 - SAME: CERTIFICATION, RECORDATION

A copy of the order of exclusion certified by the secretary of the district shall be recorded in the office of the county recorder of the county in which the lands are situated. The record of the certified copy is prima facie evidence of the exclusion from the district of the lands purporting to be excluded thereby.

27259 - SAME: EFFECT

From and after the making of the order of exclusion and the record thereof the lands excluded are no longer included in the district. The order of exclusion does not invalidate in any manner any taxes or assessments theretofore levied or assessed against the lands excluded nor relieve the property excluded from any outstanding bonds which are a lien thereon at the time of exclusion, nor from any taxes to pay the principal or interest thereof.

Article 2. Exclusion of Incorporated Territory

27281 - PETITION BY GOVERNING BODY

If the city to which any territory included in any district has been annexed already provides transit service in the territory annexed, or if any territory in any district is annexed to a city, not a part of any district as originally established pursuant to this part, and not annexed thereto pursuant to this part, the city council or other governing body of the city may petition the district for the exclusion of such territory from the district.

27282 - PETITION: CONTENT, FILING, DEPOSIT

The petition shall contain the information prescribed for petitions for exclusion under Article 1 of this chapter, a deposit for expenses shall be made as therein provided, and thereafter all proceedings shall be had as provided therein for such petitions after filing.

27283 - CONTRACT REPAYMENT OF LIABILITIES, TAXES

If an order of exclusion is granted, the board and the governing body of the city shall by contract provide for the payment by the city of the proportion of the taxes and bonded indebtedness for which

the territory excluded is justly liable. If they do not agree, either may petition the superior court in and for the county in which the property is located for a judgment declaring the proportion of the taxes and bonded indebtedness for which the territory excluded is justly liable. The proceeding shall be governed by the provisions of the Code of Civil Procedure relating to declaratory relief.

27284 - SAME: EFFECT OF TAXES, ETC. THERETOFORE LEVIED BY DISTRICT

The order of exclusion does not invalidate in any manner any taxes or assessments theretofore levied or assessed against the lands excluded nor relieve the property excluded from any outstanding bonds which are a lien thereon at the time of exclusion, nor from any taxes to pay the principal or interest thereof.

Article 3. Exclusion of Territory Within or Without City

27291 - ALTERNATIVE PROVISIONS

The provisions of this article are alternative to any other provisions for the exclusion of territory from the district.

27292 - PETITION OR RESOLUTION FOR EXCLUSION AFTER DEFEAT OF DISTRICT BOND ISSUE: LIMITATIONS

Any time after the defeat of a bond issue by the voters of the district any city or unincorporated territory, a majority of whose voters voting on a district bond issue proposition voted against said proposition, may be excluded by order of the board upon receipt by the board of a verified petition of ten percent (10%) of the total vote cast in the territory proposed to be excluded, or of a resolution adopted by the city council or board of supervisors having jurisdiction of the territory. However, no city shall be divided and not less than one-half of the territory under the jurisdiction of the board of supervisors and then remaining within the district shall be included in any petition or resolution or combination thereof filed simultaneously, nor shall any territory be excluded by any petition or resolution or combination thereof which creates areas of noncontiguous territory or will be entirely surrounded by the remainder of the district.

27293 - SAME: CONTENTS

The petition or resolution shall state the reasons for the proposed exclusion and that the area will not be benefited by inclusion in the district, shall define the boundaries of the area proposed to be excluded, and request that the area be excluded.

27294 - HEARING BY CITY COUNCIL, BOARD OF SUPERVISORS.

(a) If the exclusion is initiated by a city council or a board of supervisors, such legislative body shall hold a public hearing on the proposal to adopt the resolution. A notice of the hearing shall be published once in a newspaper of general circulation published in the area proposed to be excluded, or in a newspaper published within the city and county the legislative body of which has initiated the proceedings, in the event that a newspaper is not published in the area.

(b) The notice of the hearing shall be entitled "Proposal to Exclude the _____ Territory from the _____ Transit

District." The territory shall be designated by an appropriate name descriptive of the area proposed to be excluded. The notice shall also contain a description of the area, state the time and place for a hearing by the legislative body, and shall state that all persons interested in the exclusion may attend and be heard. The hearing shall be held not less than 10 days after publication of the required notice.

(c) The legislative body shall conduct the hearing and at its conclusion, or at the conclusion of a further hearing to which adjournment has been made, may adopt the resolution and transmit it to the board.

27295 - HEARING ON PETITION OR RESOLUTION: NOTICE, TIME OF HEARING

Within 60 days after the receipt of a petition for exclusion, the board shall hear the petition or resolution at a regular or adjourned meeting of the board. Notice of the filing of the petition or resolution shall be given by publication of the petition or resolution in a newspaper of general circulation, published in the district and selected by the board. The notice shall also state the date of the filing of the petition or resolution and that it will be considered by the board, and shall state the time and place of the hearing. The time fixed for the hearing shall not be less than 20 days from the date of the first publication of the notice. The property to be excluded may or may not be specifically described in the notice, but if not described, the notice shall refer to the petition or resolution on file for purposes of a particular description of the property sought to be excluded and shall make reference to the property by a descriptive name.

27296 - SAME: APPEARANCES

Any landowner or taxpayer within the district may appear at the hearing, either in behalf of or in opposition to the granting of the petition or resolution.

27297 - SAME: TIME AND PLACE

The petition or resolution shall be heard by the board at the time and place specified in the notice of the hearing.

27298 - ORDER OF EXCLUSION

If, upon the hearing the board determines that it is in the best interests of the district that the lands mentioned in the petition or resolution or some portion of them, be excluded from the district, or if it appears that the lands, or some portion of them, will not be benefited by their continued inclusion in the district, the board shall make an order that the lands, or some portion of them, as the board may determine, be excluded from the district, describing specifically the lands excluded.

27299 - ELECTION REQUIRED IF EXCLUSION NOT ORDERED

In the event that the board shall not make the order excluding all of the area proposed to be excluded within 10 days after the hearing on the petition or resolution for exclusion, the board shall within 120 days thereof order and conduct an election within the area proposed to be excluded upon the question of whether the area shall be excluded from the district, however, if a general election is to be held within the territory proposed to be excluded within six months after the petition or resolution is filed with the secretary of the

district the board may consolidate the election requested by this article with the general election. All resident electors of the area shall be eligible to vote at the election. The cost of the election shall be borne by the district.

27300 - SAME: ORDER OF EXCLUSION

In the event that a majority of the votes cast at the election are in favor of the exclusion, the board, upon completion of the canvass, shall make an order excluding the area from the district. In the event that a majority of the votes cast at the election are opposed to the exclusion, the measure fails and no proceedings for exclusion of the area may be subsequently initiated within one year.

27301 - ORDER OF EXCLUSION: CERTIFICATION, RECORDATION

A copy of the order of exclusion, certified by the secretary of the district, shall be recorded in the office of the county recorder of the county in which the lands are situated. The record of the certified copy shall be prima facie evidence of the exclusion from the district of the lands which are purported to be excluded thereby.

27302 - SAME: EFFECT

Subsequent to the making and recording of the order of exclusion, the lands excluded shall no longer be a part of the district.

The order of exclusion does not invalidate, in any manner, taxes, or assessments previously levied or assessed against the lands excluded, nor relieve the property excluded from any outstanding bonds which are a lien upon the excluded property at the time of exclusion or from any taxes imposed to pay the principal or interest on the bonds.

CHAPTER 10.5 SPECIAL TRANSIT SERVICE DISTRICTS

Article I. Proposal of Formation

27401 - AUTHORITY TO CREATE

One or more special transit service districts may be created within the boundaries of a district pursuant to this chapter.

27402 - INITIATION BY PUBLIC AGENCIES IN DISTRICT

Resolutions shall first be passed by the legislative bodies of half or more, but of not less than two, of the public agencies, within all or any part of the area which would be included in the proposed special transit service district, declaring that the public interest or necessity demands the creation of a special transit service district and describing its boundaries. The boundaries of the proposed special transit service district may include territory outside any such public agency if the territory is within the area of the transit district. When the entire area of a public agency is to be included in the special transit service district it may be described in the resolutions by name. Certified copies of the resolutions shall be filed with the secretary of the district.

27403 - PETITION IN LIEU OF RESOLUTION

As an alternative to the instigation of the formation of a special transit service district by resolutions, a petition may be filed with the secretary of a district signed by voters within the proposed special transit service district equal in number to at least 10 percent of the total vote cast. The boundaries of the proposed special transit service

protests and objections. The hearing may be adjourned from time to time by the board without further notice other than an order to be entered upon the minutes of its meeting fixing the time and place of the adjournment.

27415 - BOUNDARY CHANGE

The board may reduce or enlarge the boundaries of the proposed special transit service district, but the boundaries of the proposed special transit service district shall be within the boundaries of the district.

27416 - NOTICE RE INCLUSION OF ADDITIONAL TERRITORY

The board shall not approve the creation of a special transit service district containing territory in addition to the territory included in the resolutions or petitions filed with the secretary of the district, or in its own resolution, until notice of its intention to include such additional territory has been published for the time and in the manner prescribed for the original hearing on the matter and a hearing is had pursuant to the notice.

27417 - CREATION

If no protests are filed, or if the protests filed are overruled and denied by the board, the board shall by resolution approve the creation of the special transit service district either as originally described or as revised by the board and, except as provided by Article 3 (commencing at Section 27421), shall by resolution order and declare the special transit service district created.

Article 3. Election

27421 - RESOLUTION REQUESTING ELECTION ON INCLUSION OF PUBLIC AGENCY

Any public agency included, or partly included, within the boundaries of a special transit service district may, by a resolution adopted by its legislative body, adopted within 30 days after the adoption of the resolution creating a special transit service district, require the submission of a proposition to the voters of the public agency, or portion thereof, for the purpose of determining whether the public agency, or portion thereof, will be included within the boundaries of the special transit service district. However, no election shall be held, if the board, pursuant to Section 27417, excludes from the territory to be annexed the whole or any portion of a public agency in accordance with the petition or resolution adopted by the legislative body of the public agency.

27422 - PETITION IN LIEU OF RESOLUTION

Instead of the procedure by resolution of a public agency, a petition may be filed with the Secretary of the district, signed by voters within any public agency, or portion thereof, included within the boundaries of the special transit service district equal in number to at least 10 percent of the vote cast, requiring an election to be held as described in Section 27421 of this chapter.

27423 - SAME: AFFIDAVITS, TIME FOR FILING

The petition may include one or more documents, but each document shall contain the affidavit of the party who circulated it, certifying that each name affixed thereto is the true signature of the person whose name it purports to be. The petition shall be filed within 30 days after

the adoption of the resolution creating a special transit service district.

27424 - SAME: SUFFICIENCY

The secretary of the district shall compare the signatures with the affidavits of registration on file with the county clerk and shall certify to the board as to the sufficiency or insufficiency of the petition.

27425 - EFFECT OF FILING RESOLUTION OR PETITION

The filing of a resolution pursuant to Section 27421, or of a petition pursuant to Section 27422, shall stay the effective creation of the special transit service district within the public agency or portion thereof included in the resolution or petition until the results of the required election are canvassed.

27426 - TIME FOR ELECTION

The board shall call the election required by Sections 27421 and 27422 within 60 days after the petition or resolution is filed with the secretary of the district, provided, that if a general election is to be held within the petitioning public agency within 120 days after the petition or resolution is filed with the secretary of the district, the board may consolidate the election required by this article with the general election.

27427 - BALLOT

The ballot for the election shall contain such instructions as are required by law to be printed thereon and in addition thereto the following:

Shall the "(giving name of special transit service district)" be created and established in "(giving name of public agency or portion thereof)"?	YES
	NO

27428 - ELIGIBLE VOTERS: CONSOLIDATED ELECTION

No person is entitled to vote at the election unless he is a voter of the public agency or portion thereof requesting the election. The election may be held on the same day as any other state, county or city election and may be consolidated.

27429 - ELECTION COSTS

The costs of the election required by this article shall be borne equally by the public agency and the district.

27430 - CREATION PROPOSITION: CANVASS, VOTE

The question of the creation of a special transit service district, submitted to a vote pursuant to this article, shall be canvassed separately for each public agency or portion thereof in which, an election is held and the board shall order and declare the special transit service district created, including each public agency, or portion thereof, in which no election was held pursuant to Section 27426 and also including each public agency, or portion thereof, in which an election was held and in which a majority of those who voted upon the proposition of creating the special transit service district

voted in favor of the proposition, and excluding each public agency, or portion thereof, in which an election was held and in which a majority of those who voted upon the proposition of creating the special transit service district voted against the proposition.

Article 4. Taxing Subdivision

27441 - POWER TO LEVY AND COLLECT TAXES

A special transit service district has no separate corporate existence, but shall be deemed to be a taxing subdivision of the district, and within each special transit service district the board may levy and collect or cause to be collected taxes for any lawful purpose in accordance with Article 8 (commencing at Section 25891) of Chapter 6.

Article 5. Bond Election

27451 - PROPOSITION TO INCUR BONDED INDEBTEDNESS

At any time after the adoption by the board of the resolution creating a special transit service district, notwithstanding the effective date of the resolution, the board may provide for the submission of a proposition for the incurring of a bonded indebtedness to be incurred by the district on behalf of the special transit service district to pay the costs of acquiring, constructing, or completing the whole or any portion of any transit facilities, or for acquiring any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes or powers of the district within the boundaries of a special transit service district created pursuant to this chapter.

27452 - SAME: TIME FOR ELECTION

The proposition for incurring a bonded indebtedness under Section 27451 may be submitted to the voters of any public agency or portion thereof at the same election as a proposition to create the special transit service district within a public agency or portion thereof, held pursuant to Article 3 (commencing at Section 27421). In such event a proposition for incurring a bonded indebtedness shall be submitted at a separate special bond election in all portions of the special transit service district in which no election is held pursuant to Article 3 (commencing at Section 27421).

27453 - BOND ELECTION: PROVISIONS OF CHAPTER 7 APPLICABLE

Except as otherwise provided in this article, the provisions of Chapter 7 (commencing at Section 26201) shall substantially govern as to all matters pertaining to the issuance of bonds under this article, including, among other things and without limiting the generality of the foregoing, the calling, holding, and consolidation of the bond election, the formation, execution, issuance, maturity, redemption, refunding, validation, the payment of interest from bond funds, and the status of the bonds as investments.

27454 - SAME: MAJORITY VOTE

The favorable vote of a majority of all the voters voting on the proposition to authorize the issuance of bonds at the election or elections held pursuant to Sections 27451 or 27452 within the special transit service district as finally established is required to authorize the issuance of the bonds.

27455 - TAXABLE PROPERTY; AMOUNT OF LEVY

Only the property in the special transit service district shall be taxable for the payment of the principal and interest on special transit service district bonds. Until the bonds are paid, taxes shall be levied in substantial compliance with Section 25893.

27456 - ACTION RE VALIDITY: LIMITATION

Any proceeding denying the validity of the creation of any special transit service district, or of any bonds authorized by the voters thereof, pursuant to this part, shall be brought within three months after the date upon which the applicable resolution is adopted by the board or the applicable proposition is approved by the voters.

Article 6. Annexation

27461 - AUTHORIZATION

Any public agency or portion thereof within the boundaries of a district, hereafter referred to collectively as "territory," not included within the boundaries of a special transit service district, may be annexed thereto in the manner provided in this article.

27462 - RESOLUTION, TERMS, ETC.

The board shall, by resolution, determine that the annexation of the territory will facilitate the acquisition or operation of transit facilities for the special transit service district, describe the territory, declare its intention to annex the territory to the special transit service district, set forth the terms and conditions upon which the territory shall be annexed, fix the time and place for hearing on the question of the annexation, and provide for notice of the hearing.

27463 - RESOLUTION OR PETITION REQUIRING ANNEXATION ELECTION

Any public agency or portion thereof, included as part of the territory to be annexed to a special transit service district pursuant to this article may, by resolution of its legislative body, or a petition of its voters filed prior to the hearing on annexation, require the submission of an annexation proposition to the voters of the public agency, or portion thereof.

27464 - ANNEXATION ELECTION: PROVISIONS OF ARTICLE 3 APPLICABLE

Except as otherwise provided herein, Article 3 (commencing at Section 27421) shall govern the procedure for the submitting of the annexation proposition to the voters of any public agency or portion thereof involved; provided, that no election shall be held if the board, pursuant to Section 27468, excludes from the territory to be annexed the whole or any portion of a public agency in accordance with its petition or resolution.

27465 - PERMISSIBLE TERMS AND CONDITIONS

The terms and conditions for the annexation of territory to a special transit service district may provide (among other things) for the payment of taxes within the territory to be annexed, in addition to the taxes otherwise provided for in this part, the fixing of rates, rentals and charges differing from those fixed or existing elsewhere, within the special transit service district, the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the territory proposed to be annexed.

27466 - HEARING: NOTICE

Notice fixing the time and place for hearing on the question of the annexation of territory to a special transit service district shall be published once in a newspaper of general circulation published in the district.

27467 - SAME: TIME

The time for hearing shall be not less than 20 nor more than 60 days from the date of the publication of the notice.

27468 - SAME: OBJECTIONS

At or before the hearing, any person interested may file with the secretary of the district written objections to the annexation of the territory to the special transit service district or to the inclusion of his property. Upon the hearing, the board shall hear and determine all protests and objections.

27469 - SAME: ADJOURNMENT: RESOLUTION DECLARING ANNEXATION

The hearing may be adjourned from time to time by the board without further notice other than an order entered upon the minutes of its meeting fixing the time and place of adjournment. In the event that no protests are filed or the protests filed are overruled and denied, the board shall, by resolution, declare the territory, or a portion thereof, annexed to the special transit service district.

27470 - ANNEXATION COMPLETE PENDING RESULT OF ELECTION IF HELD

From and after the date of filing of the resolution with the secretary of the district the annexation of the territory, or portion thereof, to the special transit service district is complete; provided, that if pursuant to Sections 27463 and 27464 of this article, an annexation election is to be held, the annexation is stayed until the canvassing of the results of said election.

27471 - LIABILITY OF ANNEXED TERRITORY

From and after the date of annexation any territory annexed to a special transit service district is liable for payment of its proportionate share of any indebtedness then existing and payable by the special transit service district. From and after the date of annexation the board shall levy upon all of the property in the territory annexed such taxes, tolls, or charges as are necessary to comply with the terms and conditions of annexation, in addition to any other district taxes otherwise authorized in this part.

27472 - FILING COPY OF ORDINANCE, ETC., COMPLETING ANNEXATION

Upon the completion of the annexation of any territory in accordance with the law to any city included, or partially included, in a special transit service district, the city clerk shall file with the secretary of the district a certified copy of the ordinance, resolution or other document completing said annexation, containing a description of the territory so annexed. Unless the district within 90 days after such filing shall file with the city clerk the district's written objections to the annexation to the special transit service district of said territory or portion thereof, such territory, or portion thereof, shall upon the termination of such period be deemed incorporated into and annexed to the special transit service district, and thereafter

is subject to taxation, along with the entire territory of the special transit service district in accordance with the assessable valuation of the property thereof, for special transit service district purposes, and for the payment of any indebtedness theretofore or thereafter incurred by the special transit service district.

27473 - FILING OBJECTIONS, TERRITORY NOT TO BE ANNEXED

If the district shall file its objections in the manner aforesaid to the annexation to a special transit service district of such territory or portion thereof, the territory, or portion thereof, shall not be annexed to the special transit service district except in the manner provided in Article 6 (commencing with Section 27461) of this chapter. The district may withdraw such objections by filing with the city clerk a certified copy of a resolution of the board stating that such objections are withdrawn. Thereupon such territory, or portion thereof shall be deemed incorporated into and annexed to the special transit service district as provided in Section 27472.

Article 7. Dissolution

27481 - REQUIREMENTS; EFFECT

A special transit service district may be dissolved by resolution of the board if any proposition for the incurring of a bonded indebtedness fails to carry, and if the special transit service district is then subject to no other indebtedness or liability pursuant to this part and has been organized for not less than two years. Dissolution of a special transit service district shall not prevent subsequent proceedings for the creation of a special transit service district including the same or any part of the area of the special transit service district dissolved.

CHAPTER II. DISSOLUTION

27501 - ELECTION

The board of any district which operates no transit facilities, or with exterior boundaries coincident with the boundaries of a single city, may call an election at any time for the purpose of submitting to the voters of the district the question of whether the district will be dissolved. Upon the filing with the secretary of such a district of a petition signed by voters within the district equal in number to at least 25 percent of the total vote cast, asking that the question of dissolution of the district be submitted to the voters of the district, the board shall call such an election.

27502 - TIME

The election for the purpose of submitting to the voters of the district the question of whether or not the district shall be dissolved shall be held within 60 days next succeeding the date on which the petition is filed.

27503 - PUBLICATION OF NOTICE

Notice of any election for dissolution, whether called because of the filing of a petition or ordered by the board without petition, shall be published. The date fixed for the election shall not be less than 30 days from the date of the first publication of the notice.

27504 - BALLOTS

The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition the following:

Shall the "(giving the name thereof) transit district" be dissolved?	YES
	NO

27505 - NOTICE

No other notice of the election other than that provided for in this chapter need be given and no sample ballots need be sent to the voters.

27506 - CANVASS OF VOTES

If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were in favor of the dissolution, the dissolution shall be deemed carried and approved by the voters. The board shall meet on Monday next succeeding the election and canvass the votes cast.

27507 - DISTRICT PROPERTY

Upon dissolution of any district which has boundaries that are coincident with the corporate limits of a city, the district property wherever situated vests absolutely in the city, and upon the dissolution of any district operating no transit facilities and which has boundaries that extend beyond the boundaries of a single city the property of the district wherever situated vests in the county in which the whole or greater portion of the district is situated.

27508 - DISTRICT INDEBTEDNESS

If at the time of dissolution there is any outstanding indebtedness of the district the legislative authority of the city, where the limits of the district lie wholly within the corporate limits of a city, and in all other cases the board of supervisors of the county in which the whole or greater portion of the district is situated are ex officio the board of directors of the district for the purpose only of the levy and collection of taxes for the payment of the indebtedness of the district existing at the time of dissolution and the interest thereon. The board or legislative authority shall levy the taxes and perform such other acts as are necessary to raise the money necessary for the payment of the indebtedness and the interest thereon.

27509 - EFFECT OF FAILURE TO CARRY

In the event that the proposition for dissolution fails to carry, no subsequent election for the dissolution of the district shall be called until after the expiration of one year from the date of the prior election.

