

AMENDED IN ASSEMBLY APRIL 12, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1155

Introduced by Assembly Member La Suer

February 22, 2005

An act to add Section 32126.3 to the Health and Safety Code, relating to health care districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1155, as amended, La Suer. ~~Health care districts~~ *Grossmont Healthcare District.*

Existing law provides for the formation of health care districts, provides for appointments of their governing boards, and sets forth their powers and duties, including but not limited to the power to enter into long-term leases for the operation of a hospital or a part of a hospital, and establishes standards for determining whether a transfer of assets by a local district is at fair market value.

This bill would, notwithstanding ~~those~~ *any provisions of law, conditionally* permit extension of ~~a the lease or transfer agreement following expiration of 50% of its term executed between the~~ *Grossmont Healthcare District located in the City of La Mesa, and the Grossmont Hospital Corporation. The bill would make certain findings and declarations regarding the inapplicability of a general statute within the meaning of Section 16 of Article IV of the California Constitution.*

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

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

1 SECTION 1. Section 32126.3 is added to the Health and
 2 Safety Code, to read:

3 32126.3. ~~(a) Notwithstanding any provision of law to the~~
 4 ~~contrary, including, but not limited to subdivision (a) of Section~~
 5 ~~32126, any existing lease or transfer agreement executed and~~
 6 ~~approved pursuant to the requirements of subdivision (p) of~~
 7 ~~Section 32121 may, following the expiration of 50 percent of its~~
 8 ~~original duration, including any extension thereof, be extended~~
 9 ~~by a sum in years not to exceed the completed portion of the~~
 10 ~~lease or transfer, if all of the following conditions are met:~~

11 ~~(1) Two public hearings as held at which the public has an~~
 12 ~~opportunity to comment on the performance of the lessee or~~
 13 ~~transferee:~~

14 ~~(2) A findings and determination is made by the board that all~~
 15 ~~of the following conditions are met:~~

16 ~~(A) The lessee or transferee has substantially complied with~~
 17 ~~the terms of the existing lease or transfer.~~

18 ~~(B) An extension is in the public interest.~~

19 ~~(C) The lessee or transferee has a satisfactory record of~~
 20 ~~integrity and has performed its obligations in a satisfactory~~
 21 ~~manner.~~

22 ~~(D) The extended lease retains substantially the same public~~
 23 ~~purpose and character as when originally executed.~~

24 ~~(E) The lessee or transferee possesses sufficient credit and~~
 25 ~~capacity to carry out the terms of an extended lease.~~

26 ~~(b) The authority granted in this section is discretionary on the~~
 27 ~~part of the public agency. This section grants neither an~~
 28 ~~expectation nor an entitlement to an extension of any lease or~~
 29 ~~transfer.~~

30 *contrary, the lease in existence immediately preceding January*
 31 *1, 2006, between the Grossmont Healthcare District located in*
 32 *the City of La Mesa, and the Grossmont Hospital Corporation*
 33 *that was entered into on May 29, 1991, may be extended for up to*
 34 *an additional 30-year term if all of the following conditions are*
 35 *met:*

36 *(a) The lease extension is fully discussed in advance of the*
 37 *Grossmont Healthcare District Board's action to approve the*
 38 *extension in at least five properly-noticed open and public*

1 *meetings in compliance with the Ralph M. Brown Act (Chapter 9*
2 *(commencing with Section 54950) of Part 1 of Division 2 of Title*
3 *5 of the Government Code).*

4 *(b) The provisions of subparagraph (A) of paragraph (2) of*
5 *subdivision (p) of Section 32121 relating to transfer agreements*
6 *and extensions thereof are complied with.*

7 *SEC. 2. Due to the unique circumstances concerning the*
8 *Grossmont Healthcare District, it is necessary that authority be*
9 *given for extension of the lease agreement, and the Legislature*
10 *finds and declares that a general statute cannot be made*
11 *applicable within the meaning of Section 16 of Article IV of the*
12 *California Constitution.*