

Assembly Bill No. 1941

CHAPTER 798

An act to add Section 32121.9 to the Health and Safety Code, relating to local health care districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 28, 2000. Filed
with Secretary of State September 28, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1941, Strom-Martin. Palm Drive Health Care District.

Existing law, the Local Health Care District Law, authorizes the board of directors of a local health care district to issue revenue bonds pursuant to the Revenue Bond Law of 1941, but limits the amount of those bonds to 50% of the average of the district's gross revenues for the preceding 3 years.

This bill would instead authorize the Board of Directors of the Palm Drive Health Care District, on or before January 1, 2004, by resolution adopted by a vote of $\frac{4}{5}$ of the membership of the board, to issue bonds of not more than a maximum of 50% of the average of the Palm Drive Hospital's gross revenues for the 1997-98, 1998-99, and 1999-2000 fiscal years, pursuant to the Revenue Bond Law of 1941, to provide funds for the acquisition, construction, improvement, financing, or refinancing of enterprises.

The bill would also require a district that leases or transfers its assets to a corporation in accordance with specified provisions to act as an advocate for the community to the operating corporation, and to annually report to the community on the progress made in meeting the community's health needs.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The formation of the Palm Drive Health Care District in the County of Sonoma reduces the risk of closure of the Palm Drive Hospital and preserves local access to health care services.

(b) Approval of the formation of that district by the local agency formation commission of the County of Sonoma was based on a plan that included the acquisition of the existing Palm Drive Hospital by the newly formed district.



(c) The voters overwhelmingly supported the formation of the new district at an election held on April 11, 2000.

(d) Current law, known as the Local Health Care District Law, allows the board of directors of a local health care district to issue revenue bonds pursuant to the Revenue Bond Law of 1941 but limits the amount of those bonds to 50 percent of the average of the district's gross revenues for the preceding three years.

(e) Because the newly formed Palm Drive Health Care District has not been in existence for three years, the district's board of directors cannot meet the condition imposed by current law.

SEC. 2. Notwithstanding Section 32316 of the Health and Safety Code, on or before January 1, 2004, the Board of Directors of the Palm Drive Health Care District may, by resolution adopted by a vote of four-fifths of the membership of the board, issue bonds of not more than a maximum of 50 percent of the average of the Palm Drive Hospital's gross revenues for the 1997-98, 1998-99, and 1999-2000 fiscal years, pursuant to the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), to provide funds for the acquisition, construction, improvement, financing, or refinancing of enterprises including, but not limited to, any incidental expenses.

SEC. 3. Section 32121.9 is added to the Health and Safety Code, to read:

32121.9. A district that leases or transfers its assets to a corporation pursuant to this division, including, but not limited to, subdivision (p) of Section 32121 or Section 32126, shall act as an advocate for the community to the operating corporation. The district shall annually report to the community on the progress made in meeting the community's health needs.

SEC. 4. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of the Palm Drive Health Care District.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Board of Directors of the Palm Drive Health Care District may be authorized to issue revenue bonds to acquire the Palm Drive Hospital to preserve local access to health care services, and so that the health care districts that transfer their assets may act as community advocates at the earliest possible time, it is necessary that this act take effect immediately as an urgency statute.

