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HEALTH AND SAFETY CODE - HSC

DIVISION 23. HOSPITAL DISTRICTS [32000 - 32499.95] (Division 23 added by Stats. 1945, Ch. 932.)

CHAPTER 4. Bonds [32300 - 32314] (Chapter 4 added by Stats. 1945, Ch. 932.)

32300. Bonds may be issued by a district for the purpose of acquiring, maintaining, constructing, or altering work, or for the purpose of funding the district's portion of the funding of a coinsurance plan between a hospital and the member of its attending medical staff, when, in either case, in the opinion of the directors, a special assessment would be inadvisable, and the expenses of such operations will be in excess of an amount which can reasonably be raised by the regular annual assessment for the running expenses of the district.

(Amended by Stats. 1976, Ch. 1465.)

32300.1. In determining the amount of bonds to be issued, the legislative body may include:

- (a) All costs and estimated costs incidental to or connected with the acquisition, construction, improving or financing of the project.
- (b) All engineering, inspection, legal and fiscal agent's fees, costs of the bond election and of the issuance of such bonds, and bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

(Amended by Stats. 1970, Ch. 623.)

32300.2. Bonds may be issued by a district for the purpose of refunding any or all of the outstanding bonds or other indebtedness of the district.

(Added by Stats. 1959, Ch. 910.)

32301. An election shall be held to authorize the issuance of any bonds of a district. The board of directors of a district may call such election at its discretion, and it shall call such election upon presentation to it of a petition requesting the issuance of bonds, specifying the purpose to which the proceeds are to be applied, and signed by electors of the district entitled to cast votes equal in number to at least 15 per cent of the total number of votes of all the electors of the district.

(Added by Stats. 1945, Ch. 932.)

32302. The resolution of the board of directors calling a bond election, in addition to all of the matters required by this division for a resolution calling an election, shall state the amount of the proposed bond issue, the rate of interest thereon, and the maximum date of maturity of bonds. If two-thirds of the votes cast at the bond election are in favor of the issuance of the bonds, the board of directors shall cause bonds to be issued.

(Added by Stats. 1945, Ch. 932.)

32303. The board of directors by resolution entered on its minutes shall prescribe the form of the bonds and of the interest coupons attached thereto, shall fix the time when the whole or any part of the principal of said bonds shall be payable, which shall not be more than 30 years after their date of issuance, the denomination or denominations of the bonds, the date or dates of issuance of such bonds, the number or numbers of the bonds maturing at each date of maturity and the place or places of payment of such bonds. Said bonds may be payable at the office of the district or at the office of the county treasurer of the organizing county, or at any place or places designated therein at holder's option.

(Amended by Stats. 1959, Ch. 910.)

32304. Bonds first to mature in each issue shall mature not later than five years from the date of issuance thereof; and those last to mature of each issue shall mature not later than 30 years from the date of issuance thereof.

(Amended by Stats. 1959, Ch. 910.)

32305. The rate of interest to be borne by bonds issued under the authority of this chapter shall be fixed by the board of directors. The rate shall not exceed 8 percent per annum, payable annually or semiannually.

(Amended by Stats. 1975, Ch. 130.)

32306. Bonds issued under the authority of this chapter shall be of such denomination or denominations as the board of directors may prescribe.

(Amended by Stats. 1963, Ch. 736.)

32307. All bonds issued pursuant to this chapter shall be signed by the presiding officer and attested by the secretary of the board of directors of the district, and shall be valid as to future sale thereafter, regardless of whether at the time of sale the officer so signing is still the incumbent of such office.

(Added by Stats. 1945, Ch. 932.)

32308. No hospital district shall incur a bonded indebtedness exceeding 10 percent of the assessed value of all the taxable property in the district as shown by the last equalized county assessment roll or rolls of the county or counties in which the district lies. Any bonds of local hospital districts which shall be issued under the provisions of this chapter shall be legal investments for all trust funds and for the funds of insurance companies, banks, both commercial and savings, and trust companies, and whenever any moneys or funds may by any law now or hereafter enacted be invested in bonds of cities, cities and counties, counties or school districts within the State of California, such moneys or funds may be invested in said bonds of local hospital districts issued under this chapter, and whenever bonds of cities, cities and counties, counties or school districts within the State may by any law now or hereafter enacted be used as security for the performance of any act or the deposit of any public moneys, said bonds of local hospital districts issued under this chapter and in pursuance of its provisions may be so used.

(Repealed and added by Stats. 1947, Ch. 18.)

32309. The board of directors may, from time to time, sell bonds in such quantities as may be necessary and most advantageous to raise money for the purposes for which they were issued.

(Amended by Stats. 1947, Ch. 18.)

32310. Bonds shall be sold for at least par value. Before making any sales, the board of directors of the district shall, by resolution entered on its minutes, declare its intention to sell a specified amount of bonds, and the day, hour, and place at which bids will be received for such bonds. Notice of the sale shall be given by publication, once, not less than 10 days prior to the date of sale, in a newspaper of general circulation in the district and shall state that sealed proposals for the purchase of bonds will be received at the place designated for the receipt of bids until the day and hour named in the resolution.

(Amended by Stats. 1974, Ch. 656.)

32311. At the time appointed, the board of directors shall open the proposals, and may sell the bonds or any portion thereof to the highest responsible bidder or bidders. Any and all bids may be rejected and no proposal shall be accepted unless accompanied by a certified or cashier's check for such reasonable percentage of the amount of the bid as shall be determined by the board of directors, to apply to the purchase price of the bonds. The amount of such check shall be forfeited if, after the acceptance of the proposal the bidder refuses to accept the bonds and to complete his purchase thereof on conditions stated in his bid. In case no award is made the board of directors thereafter may again advertise the bonds or any part thereof for sale.

(Amended by Stats. 1955, Ch. 975.)

32312. The board or boards of supervisors of the county or counties in which the district lies shall, at the time of fixing the general tax levy, sometimes called the annual assessment or regular annual assessment, for such district, and in the manner for such general tax levy provided, levy and collect annually each year until said bonds are paid or until there shall be a sum in the treasury set apart for that purpose sufficient to meet all sums coming due for the principal and interest on such bonds, a tax sufficient to pay the interest on such bonds as the same becomes due and also, to constitute a sinking fund for the payment of the principal thereof at maturity. The sum for the sinking fund shall in any event be sufficient to provide for the payment of the principal of all of the bonds as such bonds become due. Said tax shall be in addition to all other taxes levied for district purposes and shall be placed in the bond interest and sinking fund of the district and, until all of the principal and interest of the bonds of said district is paid, the moneys in said fund shall be used for no other purpose than the payment of said bonds and accruing interest thereon.

(Amended by Stats. 1959, Ch. 910.)

32314. The board may provide that any bond issued by the district may be subject to call and retirement prior to maturity at such times and prices and upon such other terms as the board may specify. If a bond is subject to call and retirement prior to maturity that fact shall be stated in the bond.

(Added by Stats. 1957, Ch. 96.)