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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 8. Nonprovider Health Care Districts [32495 - 32498] (*Chapter 8 added by Stats. 2016, Ch. 421, Sec. 1.*)

32495. For the purposes of this chapter, the following definitions shall apply:

- (a) "Administrative expenses" means expenses relating to the general management of a health care district, such as accounting, budgeting, personnel, procurement, legal fees, legislative advocacy services, public relations, salaries, benefits, rent, office supplies, or other miscellaneous overhead costs.
- (b) "Direct health service" means ownership or direct operation of a hospital, medical clinic, ambulance service, transportation program for seniors or persons with disabilities, a wellness center, health education, or other similar service.
- (c) "Nonprovider health care district" means a health care district that meets all of the following criteria:
 - (1) The district does not provide direct health care services to consumers.
 - (2) The district has not received an allocation of real property taxes in the past three years.
 - (3) The district has assets of twenty million dollars (\$20,000,000) or more.
 - (4) The district is not located in a rural area that is typically underserved for health care services.
 - (5) In two or more consecutive years, the amount the district has dedicated to community grants has amounted to less than twice the total administrative costs and overhead not directly associated with revenue-generating enterprises.

(*Added by Stats. 2016, Ch. 421, Sec. 1. (AB 2737) Effective January 1, 2017.*)

32496. (a) A nonprovider health care district shall not spend more than 20 percent of its annual budget on administrative expenses.

(b) A nonprovider health care district shall spend at least 80 percent of its annual budget on community grants awarded to organizations that provide direct health services.

(*Added by Stats. 2016, Ch. 421, Sec. 1. (AB 2737) Effective January 1, 2017.*)

32498. Notwithstanding Section 32496, and prior to payment of any annual budget item described in Section 32496, a nonprovider health care district shall pay any amount required to be paid in the district's annual budget year by a final judgment, court order, or arbitration award for which appeals have been exhausted or for which the period for appeal has expired, enforcement of which is not barred by the order of any court or by any statutory provision, and which has not been nullified or rendered void by any court order or statutory provision.

(*Added by Stats. 2016, Ch. 421, Sec. 1. (AB 2737) Effective January 1, 2017.*)