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**AB-2414 Desert Healthcare District.** (2015-2016)

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**Assembly Bill No. 2414**

**CHAPTER 416**

An act to add Chapter 10 (commencing with Section 32499) to Division 23 of the Health and Safety Code, relating to health care districts.

[ Approved by Governor September 21, 2016. Filed with Secretary of State September 21, 2016. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2414, Eduardo Garcia. Desert Healthcare District.

Existing law, the Local Health Care District Law, authorizes the organization and incorporation of local health care districts and specifies the powers of those districts, including, among other things, the power to establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.

This bill would authorize the expansion of the Desert Healthcare District to include the eastern Coachella Valley region by requiring the district to submit a resolution of application to the Riverside County Local Agency Formation Commission to initiate proceedings to expand the district. The bill would require the commission to order the expansion of the district subject to a vote of the registered voters residing within the territory to be annexed at an election following the completion of those proceedings. The bill would require the Board of Supervisors of the County of Riverside, upon direction by the commission, to place approval of district expansion on the ballot at the next countywide election following the completion of commission proceedings, including a public hearing. The bill would provide for expansion of the district upon voter approval, if a funding source sufficient to support the operations of the expanded district is, if required, approved, as specified. The bill would require the district to pay for election costs, as specified. By imposing new duties on the County of Riverside, the bill would impose a state-mandated local program.

This bill would require the board of directors of the district, following expansion, to adopt a resolution to increase the number of members of the district's board of directors from 5 to 7, and to appoint 2 members who are residents of the territory annexed by the district to fill the vacant positions, as specified. Following the expansion of the board of directors, the bill would require the board of directors to adopt a resolution to divide the Desert Healthcare District into voting districts for the purpose of electing members of the board of directors from and by the electors of those voting districts beginning with the next district election after January 1, 2020, as specified.

This bill would state the intent of the Legislature that the Desert Healthcare District maximize the use of its assets to provide direct health services to individuals within the district, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Coachella Valley region of Riverside County.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Chapter 10 (commencing with Section 32499) is added to Division 23 of the Health and Safety Code, to read:

### **CHAPTER 10. Desert Healthcare District Reorganization**

**32499.** (a) The Desert Healthcare District may be expanded in accordance with this chapter. All other provisions of this division shall apply to the Desert Healthcare District following its reorganization, except as provided in this chapter.

(b) (1) On or before January 5, 2017, the Desert Healthcare District shall file a resolution of application with the Riverside County Local Agency Formation Commission, pursuant to subdivision (a) of Section 56654 of the Government Code, to initiate proceedings by the Riverside County Local Agency Formation Commission for the purpose of expanding the Desert Healthcare District to include the East Coachella Valley region. The expanded district shall include all communities served by the Desert Healthcare District as of the date of the filing of the resolution of application, and shall also include, but not be limited to, the communities of Indian Wells, La Quinta, Indio, and Coachella, and the unincorporated areas of Bermuda Dunes, Mecca, Thermal, Oasis, North Shore, and Vista Santa Rosa. The resolution of application shall comply with Section 56652 of the Government Code and shall specify the source of funding for the expanded district. The Desert Healthcare District shall pay any fees associated with the resolution of application.

(2) The Riverside County Local Agency Formation Commission proceeding shall be deemed initiated on the date the resolution of application is accepted for filing. Subsequent to initiation of the proceeding, the commission shall hold a hearing pursuant to Section 56666 of the Government Code. The commission shall comply with the notice requirements of Sections 56660 and 56661 of the Government Code in connection with the hearing.

(3) The Riverside County Local Agency Formation Commission shall complete its proceedings and direct the election required by paragraph (2) of subdivision (c) no later than 150 days following receipt of the completed resolution of application. Notwithstanding any other law, the Riverside County Local Agency Formation Commission shall not have the power to disapprove the resolution of application.

(4) Notwithstanding any other law, the resolution of application filed by the Desert Healthcare District pursuant to this subdivision shall not be subject to any protest proceedings.

(c) (1) The Riverside County Local Agency Formation Commission shall order the expansion of the district subject to a vote of the registered voters residing within the territory to be annexed at an election following the completion of proceedings pursuant to subdivision (b). The commission may condition the annexation on the district's imposition of sufficient revenues to provide services within the territory to be annexed, including, but not limited to, the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues.

(2) The Riverside County Local Agency Formation Commission shall direct the Board of Supervisors of the County of Riverside to direct county officials to conduct the necessary election for approval of district expansion by placing approval of district expansion, pursuant to subdivision (d) of Section 57118 of the Government Code, and approval of any necessary funding source for the expanded district that requires voter approval on the ballot at the next countywide election.

(3) If a majority of the voters within the territory ordered to be annexed vote in favor of the expanded district and if a number of voters required under applicable law to approve any necessary funding source that requires voter approval vote in favor of that funding source, the district shall be expanded in accordance with this chapter.

(4) The district shall pay to the county the actual cost of the services rendered in conducting the election.

(d) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code) shall not apply to the expansion of the district pursuant to subdivisions (b) and (c), except as specified in this part. The act shall apply to any other change of organization or reorganization as defined in that act, following the reorganization of the district pursuant to this section.

(e) As used in this chapter, "district" means the Desert Healthcare District.

**32499.2.** (a) Thirty days after the expansion of the district, and notwithstanding Sections 32100.01 and 32100.02, the Board of Directors of the Desert Healthcare District shall adopt a resolution to increase the number of members of its board of directors from five to seven without the necessity of a petition or approval thereof by voters residing within the district. The resolution shall become effective on the date of, and subject to any conditions specified in, the resolution.

(b) The additional vacancies created by the expansion shall be filled by appointment by the board of directors. A person appointed to fill a vacancy created by subdivision (a) shall be a registered voter and a resident of the territory annexed by the district pursuant to Section 32499.

(c) Upon appointment, the board shall, by lot, designate one member appointed pursuant to subdivision (a) who shall leave office when his or her successor takes office pursuant to Section 10554 of the Elections Code, and one member appointed pursuant to subdivision (a) who shall leave office two years thereafter.

(d) A vacancy in one or both of the board positions created by subdivision (a) after the first appointments to those positions pursuant to subdivision (b) shall be filled by the methods prescribed in Section 1780 of the Government Code, and, after January 1, 2020, shall be filled by the methods prescribed in Section 32499.3.

(e) This section shall only become operative if the Desert Healthcare District is expanded in accordance with Section 32499.

**32499.3.** (a) Following the expansion of the Board of Directors of the Desert Healthcare District, and notwithstanding Section 32100.1, the board of directors shall adopt a resolution to divide the district into seven voting districts, number the voting districts consecutively, and elect members of the board of directors by voting district beginning with the first district election after January 1, 2020.

(b) In establishing the voting districts described in subdivision (a), the board of directors shall provide for representation in accordance with demographic, including population, and geographic factors of the entire area of the district. The board of directors shall fix the time and place and give public notice for a hearing on the proposed establishment of the voting districts, at which any elector of the district may present his or her views and plans in relation to the proposed division, but the board of directors shall not be bound thereby and their decision, in the resolution adopted, shall be final.

(c) The resolution adopted pursuant to subdivision (a) shall declare the voting districts and describe the boundaries of each voting district.

(d) The voting districts described in subdivision (a) and any necessary procedures for implementing the election of the board of directors by voting districts shall be established and implemented on or before January 1, 2020.

(e) The voting districts established pursuant to this section shall be effective for the next district election after January 1, 2020. At the expiration of the terms of office of the members of the board of directors then in office, and thereafter, these members of the board of directors shall be elected by voting districts. One member of the board of directors shall be elected by the electors of each of the voting districts. A person shall not be eligible to hold the office of member of the board of directors unless he or she has been a resident of the voting district from which he or she is elected for 30 days next preceding the date of the election.

(f) A vacancy upon the board that results in a voting district left unrepresented prior to the expiration of the term of that board position shall be filled by appointment of the remaining members of the board of directors. A member of the board of directors appointed pursuant to this subdivision shall be a resident of the voting district left unrepresented on the board of directors.

(g) This section shall become operative only if the Desert Healthcare District is expanded in accordance with Section 32499.

**32499.4.** It is the intent of the Legislature that the Desert Healthcare District maximize the use of its assets to provide direct health services to individuals within the district through direct operation of or funding provided to organizations that own or operate hospitals, medical clinics, ambulance services, transportation programs for seniors or persons with disabilities, wellness centers, health education services, promotoras, mental health services, veterans' health services, and other similar services.

**SEC. 2.** 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 community needs in Riverside County that would be served by the expansion of the Desert Healthcare District to include the entire Coachella Valley region, including limited access in the eastern Coachella Valley to health care services by an underserved population that suffers from a higher than average prevalence of preventable disease.

**SEC. 3.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.