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**AB-1471 Hospitals: seismic compliance: O'Connor Hospital and Santa Clara Valley Medical Center.**  
(2023-2024)

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**Assembly Bill No. 1471**

**CHAPTER 304**

An act to amend Section 130068 of the Health and Safety Code, relating to hospitals, and declaring the urgency thereof, to take effect immediately.

[ Approved by Governor October 04, 2023. Filed with Secretary of State October 04, 2023. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1471, Pellerin. Hospitals: seismic compliance: O'Connor Hospital and Santa Clara Valley Medical Center.

Existing law, the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, establishes a program of seismic safety building standards for certain hospitals. Existing law requires hospitals that are seeking an extension for their buildings to submit an application to the Department of Health Care Access and Information by April 1, 2019, subject to certain exceptions. Existing law requires that final seismic compliance be achieved by July 1, 2022, if the compliance is based on a replacement or retrofit plan, or by January 1, 2025, if the compliance is based on a rebuild plan. Notwithstanding the above provisions, existing law authorizes the department to waive the requirements of the act for the O'Connor Hospital and Santa Clara Valley Medical Center in the City of San Jose if the hospital or medical center submits, on or before January 15, 2022, a plan for compliance, and the department accepts the plan based on it being feasible to complete and promoting public safety. Existing law requires, if the department accepts the plan, the hospital or medical center to report to the department on its progress to timely complete the plan by specified dates.

This bill would extend the deadline for the hospital's or medical center's plan for compliance, and would add additional dates for the hospital or medical center to report to the department on its progress. The bill would apply these provisions retroactively to avoid any period of noncompliance.

This bill would impose penalties to a hospital that fails to meet its deadline, and would require the county to pay these penalties to the department. The bill would require the department to collect interest and the costs associated with recovery of any arrears, to withhold any building permits, except as specified, and to collect the full amount due under specified authorities if the county fails to make a payment to the department within 30, 60, and 90 days, respectively, of the initial notice of penalties.

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

This bill would make legislative findings and declarations as to the necessity of a special statute for County of Santa Clara.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

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

**SECTION 1.** Section 130068 of the Health and Safety Code is amended to read:

**130068.** (a) Notwithstanding any other law, including, but not limited to, Sections 130060 and 130061, the department may waive the requirements of this chapter, in whole or in part, for O'Connor Hospital and Santa Clara Valley Medical Center in the City of San Jose if both of the following occur:

(1) (A) The hospital or medical center submits to the department, within 30 days following the effective date of this statute, a plan for compliance with the applicable seismic safety standards of this chapter, and the regulations promulgated pursuant to this chapter.

(B) For the O'Connor Hospital seismic update, the plan shall provide for compliance on or before July 1, 2023.

(C) For the Santa Clara Valley Medical Building F (Services Building) Seismic Upgrade, the plan shall provide for compliance on or before July 1, 2025.

(D) For the Santa Clara Valley Medical Center Building N (RSC) Tier 2 Upgrades, the plan shall provide for compliance on or before December 31, 2025.

(E) For the Santa Clara Valley Medical Center Old Main Demolition and Rebuild project, the plan shall provide for compliance on or before July 1, 2026.

(2) The department accepts the plan submitted by the hospital or medical center based on it being feasible to complete and promoting public safety. The department shall not unreasonably reject the plan, unreasonably impose conditions on the acceptance of the plan, or unreasonably withhold or delay acceptance or rejection of the plan.

(b) If the department accepts the hospital's or medical center's plan pursuant to subdivision (a), the hospital or medical center shall report to the department, in the manner required by the department, on its progress to timely complete its plan, on or before all of the following dates:

(1) April 1, 2023.

(2) July 1, 2023.

(3) October 1, 2023.

(4) January 1, 2024.

(5) April 1, 2024.

(6) July 1, 2024.

(7) October 1, 2024.

(8) January 1, 2025.

(9) April 1, 2025.

(10) July 1, 2025.

(11) October 1, 2025.

(12) January 1, 2026.

(13) April 1, 2026.

(14) July 1, 2026.

(c) The department may revoke its waiver of the requirements of this chapter, in whole or in part, if O'Connor Hospital or Santa Clara Valley Medical Center fails to timely report progress that the department reasonably deems is sufficient to complete their respective plans if both of the following are true:

(1) The lack of timely reporting, lack of reasonable progress, or both, is not due to unforeseen circumstances outside the control of the County of Santa Clara.

(2) If the office intends to revoke the waiver, or any part of the waiver, the department provides at least 90 days' written notice to the County of Santa Clara prior to the effective date of the revocation and, during the notice period, the department provides the County of Santa Clara a reasonable opportunity to cure the noncompliance that forms the basis of the intended revocation.

(d) (1) (A) A hospital with a waiver approved under this section shall be subject to penalties for failure to meet milestones expressed in its compliance plan or any requirement of this section.

(B) The county shall bear the responsibility of paying any penalties.

(2) If the county fails to pay the assessed penalty amount within 30 days of the initial notice of penalties from the department, the department shall collect legal interest of 10 percent and the costs associated with recovery of any arrears.

(3) Upon a failure by the county to make a payment to the department within 60 days of notice of penalties, the department shall apply Section 1.4.5.1.2.1 of the California Administrative Code and withhold any building permits except maintenance and emergency repairs.

(4) Upon a failure by the county to make a payment 90 days after the notice of penalties, the department shall collect the full amount due, including costs and interest, either under the authority of Chapter 4.3 (commencing with Section 16580) of Part 2 of Division 4 of Title 2 of the Government Code or by withholding the amount from any general fund appropriations.

(e) The provisions of this section shall be retroactively applied so that there is no period of noncompliance if the passage of the act that added this section overlaps with the reporting requirements set forth elsewhere in this article.

**SEC. 2.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the need to use the O'Connor Hospital and the Santa Clara Valley Medical Center to provide medical care to underserved and vulnerable populations during the COVID-19 pandemic and the unique financial and project delivery challenges assumed by the County of Santa Clara with the 2019 acquisition of O'Connor Hospital.

**SEC. 3.** 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 California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the inability of the County of Santa Clara to meet the statutory deadlines for hospital seismic upgrades at two of the county's owned and operated public hospitals due to unforeseen circumstances outside the county's control, and to avoid the imposition of statutory fines that would have a significant fiscal impact on the county, this measure needs to become effective at the earliest possible date.