

**Assembly Bill 2471 (Quirk) – Dissolution of
Health Care Districts**

Attachment 4

ASSEMBLY BILL

No. 2471

**Introduced by Assembly Member Quirk
(Coauthor: Assembly Member Bonta)**

February 19, 2016

An act to amend Section 57103 of the Government Code, and to add Chapter 8 (commencing with Section 32495) to Division 23 of the Health and Safety Code, relating to health care districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2471, as introduced, Quirk. Health care districts: dissolution.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts by local agency formation commissions. Existing law establishes the procedures for the dissolution of the existence of a district and sets forth provisions for winding up the affairs of a dissolved district, as specified. Existing law generally authorizes the dissolution of a district without voter approval, except as specified. Notwithstanding those provisions, existing law subjects the dissolution of a health care district to voter approval.

This bill would require a local agency formation commission to order the dissolution of a health care district without an election if the health care district meets certain criteria, as specified. The bill would subject a dissolution under these provisions to the provisions of the act for winding up the affairs of a dissolved district.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 57103 of the Government Code is
2 amended to read:

3 57103. Any order in any resolution adopted by the commission
4 on or after January 1, 1986, ordering the dissolution of a local
5 hospital district, organized pursuant to Division 23 (commencing
6 with Section 32000) of the Health and Safety Code, is subject to
7 confirmation by the ~~voters~~. voters, *except as set forth in Chapter*
8 *8 (commencing with Section 32495) of Division 23 of the Health*
9 *and Safety Code.*

10 SEC. 2. Chapter 8 (commencing with Section 32495) is added
11 to Division 23 of the Health and Safety Code, to read:

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13

CHAPTER 8. DISSOLUTION

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15 32495. (a) A local agency formation commission shall order
16 the dissolution of a health care district without an election if the
17 health care district meets all of the following criteria:

18 (1) The health care district does not currently receive a property
19 tax allocation.

20 (2) The health care district has substantial net assets.

21 (3) The health care district does not provide a direct health care
22 service.

23 (b) If a local agency formation commission orders the
24 dissolution of a health care district pursuant to subdivision (a), the
25 dissolution shall be subject to the provisions for winding up the
26 affairs of a dissolved district, as set forth in Chapter 6 (commencing
27 with Section 57450) of Part 5 of Division 3 of Title 5 of the
28 Government Code.

29 (c) For purposes of this section:

30 (1) "Direct health care service" means the ownership or
31 operation of a hospital, medical clinic, wellness center, or
32 ambulance service.

33 (2) "Local agency formation commission" means the
34 commission in whose sphere of influence, as defined in Section
35 56076 of the Government Code, the health care district exists.

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