

HEALTH AND SAFETY CODE SECTION 32000-32003

32000. This division shall be known and may be cited as "The Local Health Care District Law." Any reference in any statute to the Local Hospital District Law shall be deemed a reference to the Local Health Care District Law, and any reference in any statute to a hospital district shall be deemed to be a reference to a health care district.

32000.1. For purposes of this division, both of the following shall apply:

- (a) Any reference to "hospital district" or "district" shall mean "health care district," and any reference to "hospital administrator" or "administrator" shall mean "chief executive officer."
- (b) "Health care facility" shall mean a health facility as defined in Section 1250 and a clinic as defined in Section 1204.

32001. A local hospital district may be organized, incorporated and managed, as provided in this division and may exercise the powers herein granted or necessarily implied. Such a district may include incorporated or unincorporated territory, or both, or territory in any one or more counties. The territory comprising this district need not be contiguous but the territory of a municipal corporation shall not be divided; provided, that land either in a municipal corporation or in unincorporated territory which the supervising authority finds will not be benefited shall not be included.

32002. The manner of formation of local hospital districts, and the conducting of all hospital district elections, unless otherwise provided in this division shall be as in the manner provided, respectively, by Chapter 1 (commencing with Section 58000) of Division 2 of Title 6 of the Government Code, and Part 3 (commencing with Section 10400) and Part 4 (commencing with Section 10500) of Division 10 of the Elections Code. Except as provided in this division, these provisions are hereby incorporated in this division by reference and shall have the same effect and force as if fully set forth herein. In addition to all other requirements regarding formation of hospital districts, no hearing upon the petition to form a hospital district shall be held until comments and recommendations of the Office of Statewide Health Planning and Development and each area health planning agency having territory within the proposed district, concerning the need for new or additional health facilities in the area to be served by the proposed district have been filed with the supervising authority. The Office of Statewide Health Planning and Development and the area health planning agency or agencies shall submit these comments and recommendations to the supervising authority within 60 days after receiving a request therefor from the proponents. Failure to submit these comments to the supervising body within 60 days shall be deemed to constitute a "no comment" response.

32002.31. Within five days after the district formation election has been called, the legislative body which has called the election shall transmit, by registered mail, a

written notification of the election call to the executive officer of the local agency formation commission of the county or principal county in which the territory or major portion of the territory of the proposed district is located. Such written notice shall include the name and a description of the proposed district, and may be in the form of a certified copy of the resolution adopted by the legislative body calling the district formation election.

The executive officer, within five days after being notified that a district formation election has been called, shall submit to the commission, for its approval or modification, an impartial analysis of the proposed district formation.

The impartial analysis shall not exceed 500 words in length and shall include a specific description of the boundaries of the district proposed to be formed.

The local agency formation commission, within five days after the receipt of the executive officer's analysis, shall approve or modify the analysis and submit it to the officials in charge of conducting the district formation election.

32002.32. The board of supervisors or any member or members of the board authorized by the board, or any individual voter or bona fide association of citizens entitled to vote on the district formation proposition, or any combination of such voters and associations of citizens, may file a written argument for or a written argument against the proposed district formation.

Arguments shall not exceed 300 words in length and shall be filed with the officials in charge of conducting the election not less than 54 days prior to the date of the district formation election.

32002.33. If more than one argument for or more than one argument against the proposed district formation is filed with the election officials within the time prescribed, such election officials shall select one of the arguments for printing and distribution to the voters.

In selecting the arguments, the election officials shall give preference and priority in the order named to the arguments of the following:

- (a) The board of supervisors or any member or members of the board authorized by the board.
- (b) Individual voters or bona fide associations of citizens or a combination of such voters and associations.

32002.34. The elections officials in charge of conducting the election shall cause a ballot pamphlet concerning the district formation proposition to be voted on to be printed and mailed to each voter entitled to vote on the district formation question.

The ballot pamphlet shall contain the following, in the order prescribed:

- (a) The complete text of the proposition.
- (b) The impartial analysis of the proposition, prepared by the local agency formation commission.

(c) The argument for the proposed district formation.

(d) The argument against the proposed district formation.

The elections officials shall mail a ballot pamphlet to each voter entitled to vote in the district formation election at least 10 days prior to the date of the election. The ballot pamphlet is "official matter" within the meaning of Section 13303 of the Elections Code.

32003. Whenever the formation of a local hospital district is desired, a petition may be presented at a regular meeting of the supervising authority of the county in which the land, or a greater portion of the land, in the proposed district is situated, said petition to be signed by the registered voters residing within the boundaries of the proposed district, equal in number to at least 12 percent of the voters registered within the boundaries of the proposed district 30 days prior to the date the petition is filed. The number of written protests required to terminate the proceedings shall be a majority of the registered voters residing in the proposed district.

If a majority of all the votes cast in the proposed district are in favor of organization, the supervising authority by resolution entered on its minutes shall declare the district duly organized under this act, shall give the name of the district as theretofore designated and shall describe the boundaries of such district. The county whose supervising authority declares the district organized shall be designated the "organizing county."

HEALTH AND SAFETY CODE - HSC

DIVISION 23. HOSPITAL DISTRICTS [32000 - 32492]

(Division 23 added by Stats. 1945, Ch. 932.)

CHAPTER 2. Board of Directors [32100 - 32155]

(Chapter 2 added by Stats. 1945, Ch. 932.)

ARTICLE 1. Election and Organization [32100 - 32111]

(Article 1 added by Stats. 1945, Ch. 932.)

32100.

The elective officers of a local hospital district shall be a board of hospital directors consisting of five members, each of whom shall be a registered voter residing in the district and whose term shall be four years, with the exception of the first board. The first board of directors shall be appointed, upon the formation of the district, by the board of supervisors of the county in which the land or a greater part of the land in the district is situated. Upon appointment, the first board shall, by lot, designate two

members who shall leave office when their successors take office pursuant to Section 10554 of the Elections Code, and three members who shall leave office two years thereafter. Any vacancy upon the board shall be filled by the methods prescribed in Section 1780 of the Government Code.

(Amended by Stats. 1994, Ch. 923, Sec. 147. Effective January 1, 1995.)

32100.001.

The board of hospital directors shall meet on the first Monday subsequent to 30 days after the completion of organization of the district and shall organize by the election of one of their members as chairperson or president and one as secretary.

(Added by renumbering Section 32102 by Stats. 1994, Ch. 696, Sec. 3. Effective January 1, 1995.)

32100.01.

A petition to increase the number of members of the board of directors of any district providing at least 225 hospital beds from five to seven members may be signed and filed with the board of directors at least three months prior to any general hospital district election by registered voters residing within any such local hospital district, equal in number to at least 5 percent of the number of votes cast in that district for the office of Governor at the last preceding election at which a Governor was elected. Upon receipt of this petition the board of directors shall prepare a measure to be printed on the ballots used at the next general hospital district election. The measure shall be printed on the ballots substantially as follows:

"Shall the number of directors of the ____ Hospital District be increased from five to seven?", with the words "Yes" and "No" so printed in connection therewith that the voters may express their choice.

The county elections official of the organizing county shall accept arguments for and against the measure to be mailed to each registered voter in the district, in accordance with the procedure specified in Article 3 (commencing with Section 9160) of Chapter 2 of Division 9 of the Elections Code.

Under the measure, in the manner provided in this article, there shall be printed the names of those persons who have been nominated for the additional directorships.

The returns of the election shall be canvassed and declared as at other general hospital district elections. If a majority of the votes cast in the election are in favor of the measure the board of directors shall by resolution declare that the lawful number of directors of the district has been increased by the designated number of members. If a majority of the votes cast in the election are opposed to the measure, no similar measure shall be placed on the ballot until the next general hospital district election.

(Amended by Stats. 1994, Ch. 923, Sec. 148. Effective January 1, 1995.)

32100.02.

The election of directors to fill the additional vacancies on the board created by expansion shall be an election at large. A director elected at the election but receiving the lesser number of votes in the election shall hold office until a successor takes office pursuant to Section 10554 of the Elections Code, and the director elected at the election receiving the greater number of votes shall hold office until two years thereafter.

(Amended by Stats. 1994, Ch. 923, Sec. 149. Effective January 1, 1995.)

32100.03.

If the majority of votes cast in the election specified in Section 32100.01 are in favor of expansion of the board of directors, the board of directors of the district, which has been divided into zones pursuant to Section 32100.1, shall by resolution divide the district into seven zones. The resolution shall also specify the boundaries of each zone. At the expiration of the terms of office of the members of the board of directors then in office, and thereafter, such members of the board of directors shall be elected by the zones established by such resolution.

(Added by Stats. 1971, Ch. 289.)

32100.04.

A district which has added additional directors pursuant to Section 32100.01, but has not been divided into zones, may, in the manner provided by Section 32100.1, divide the district into zones, except that the resolution of the board of directors shall divide the district into seven zones. If at the expiration of the terms of office of the members of the board, in office at the time of such division into zones, four members of the board are to be elected, those four members shall be elected from zones designated by odd numbers; if three members are to be elected, those three members shall be elected from zones designated by even numbers.

(Added by Stats. 1971, Ch. 289.)

32100.05.

(a) Notwithstanding Sections 32100 and 32100.01, the local agency formation commission, in approving either a consolidation of districts or the reorganization of two or more districts into a single hospital district may, pursuant to subdivisions (k) and (n) of Section 56886 of the Government Code, increase the number of directors to serve on the board of directors of the consolidated or reorganized district to 7, 9, or 11, who shall be members of the board of directors of the districts to be consolidated or reorganized as of the effective date of the consolidation or reorganization.

(b) Upon the expiration of the terms of the members of the board of directors of the consolidated district, or a district reorganized as described in subdivision (a), whose terms first expire following the effective date of the consolidation or reorganization, the total number of members on the board of directors shall be reduced until the number equals the number of members permitted by the principal act of the consolidated or reorganized district, or any larger number as may be specified by the local agency formation commission in approving the consolidation or reorganization.

(c) In addition to the powers granted under Section 1780 of the Government Code, in the event of a vacancy on the board of directors of the consolidated district or a district reorganized as described in subdivision (a) at which time the total number of directors is greater than five, the board of directors may, by majority vote of the remaining members of the board, choose not to fill the vacancy. In that event, the total membership of the board of directors shall be reduced by one board member. Upon making the determination not to fill a vacancy, the board of directors shall notify the board of supervisors of its decision.

(d) For the purposes of this section: "consolidation" means consolidation, as defined in Section 56030 of the Government Code; "district" or "special district" means district or special district, as defined in Section 56036 of the Government Code; and "reorganization" means reorganization, as defined in Section 56073 of the Government Code.

(Amended by Stats. 2006, Ch. 172, Sec. 12. Effective January 1, 2007.)

32100.1.

A petition for election of directors by zones may be signed and filed with the board of directors by registered voters residing within a local hospital district, equal in number to at least 15 percent of the number of votes cast in that district for the office of Governor at the last preceding election at which a Governor was elected. Upon receipt of this petition the board of directors shall, by resolution, divide the local hospital district into zones and number the zones consecutively.

Alternatively, and without a petition, the board of directors may adopt a resolution to divide the district into zones and number the zones consecutively.

In establishing these zones, the board of directors shall provide for representation in accordance with demographic, including population, and geographic factors of the entire area of the local hospital district. The board of directors shall fix the time and place for a hearing on the proposed establishment of zones. At this hearing, any elector of the district may present his or her views and plans in relation to the proposed zoning, but the board of directors shall not be bound thereby and their decision, in the resolution adopted, shall be final.

The zones shall be effective for the next district election after the resolution of the board for which there is time to implement the zones and elections within the zones, unless a petition requesting an election on the resolution, containing the signatures of not less than 5 percent of the qualified registered voters of the district, is filed with the county elections official within 60 days after passage of the resolution. The form of the petition and the requirements and procedures applicable thereto shall be governed

by Article 2 (commencing with Section 9140) of Chapter 2 of Division 9 of the Elections Code, except that all computations referred to in those sections shall be construed to refer to comparable computations of the district, and references to "ordinance" shall be construed to refer to "resolution." For purposes of this section, the electors of the district shall be the electors of the territory entitled to vote at elections for members of the board. If a valid and timely petition is filed with the county elections official, then the board shall prepare a measure to be printed on the ballots used at the next general hospital district election, or at a special election to be held for that purpose. The measure shall be printed on the ballots substantially as follows:

"Shall members of the board of directors be elected by zones, as described in the resolution of the board of directors dated ____?", with the words "Yes" and "No" so printed in connection therewith that the voters may express their choice.

The county elections official shall accept arguments for and against the measure, to be mailed to each registered voter in the district, in accordance with Article 3 (commencing with Section 9160) of Chapter 2 of Division 9 of the Elections Code.

The returns of the election shall be canvassed and declared as at other general hospital district elections, and if it appears that a majority of the votes cast in the election are in favor of the measure, the board of directors shall by resolution declare the zones established and shall describe the boundaries of the zones. 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 zones. One member of the board of directors shall be elected by the electors of each of the zones. No person shall be eligible to hold the office of member of the board of directors unless he or she has been a resident of the zone from which he or she is elected for 30 days next preceding the date of the election.

The formation of a local hospital district may provide for the election of members of the board of directors by zones by substantially including in the petition for formation the provisions required by this section to be included in the measure, and the members of the board of directors shall be elected from the zones as described in the petition, except that the first board of directors shall be appointed, upon the formation of the district, by the board of supervisors of the county in which the land or a greater part of the land in the district is situated. One member of the board shall be appointed from each zone.

The terms of the members of the first board of directors appointed under this section shall be determined by lot. Three members shall hold office for four years, and two members shall hold office for two years. Thereafter, the term of office for all members shall be four years.

Any vacancy upon the board shall be filled by appointment by the remaining members of the board, from the zone left unrepresented on the board of directors. Any person appointed to fill the vacancy shall hold office for the unexpired term.

(Amended by Stats. 1994, Ch. 923, Sec. 150. Effective January 1, 1995.)

32100.2.

Notwithstanding any other provision of law, the term of any member of the board of directors shall expire if he or she is absent from three consecutive regular meetings, or from three of any five consecutive meetings of the board and the board by resolution declares that a vacancy exists on the board.

(Amended by Stats. 1982, Ch. 1513, Sec. 2.)

32100.3.

(a) Notwithstanding Section 32100, the members of the first board of directors of a health care district formed, after the effective date of the act that added this section, in the County of Trinity shall be elected at large.

(b) At their first meeting, the members of the directors shall classify themselves by lot into two classes. One class shall have three members and the other class shall have two members. For the class that has three members, the initial term of office shall be four years. For the class that has two members, the initial term of office shall be two years. Thereafter, the term of office of all members shall be four years.

(c) Any vacancies in the office of a member elected to the board of directors shall be filled pursuant to Section 1780 of the Government Code.

(Added by Stats. 2006, Ch. 18, Sec. 1. Effective April 17, 2006.)

32100.5.

A hospital district general election shall be held in each local hospital district on the first Tuesday after the first Monday in November in each even-numbered year, at which a successor shall be chosen to each officer whose term shall expire when the successor takes office pursuant to Section 10554 of the Elections Code. The hospital district general election shall be consolidated with the statewide general election pursuant to Part 3 (commencing with Section 10400) of Division 10 of the Elections Code.

The person receiving the highest number of votes for each office to be filled at the election shall be elected thereto. The term of office of each elective officer of the district elected, shall be four years, or until his or her successor is elected and has qualified.

(Amended by Stats. 1994, Ch. 923, Sec. 151. Effective January 1, 1995.)

32100.6.

Notwithstanding any other provision of law, the voters of the Eden Township Hospital District may file a petition with its board of directors pursuant to the provisions of

Section 32100.1, to elect its directors either by zones or from zones; provided, however, that the petition shall be deemed sufficient if it is signed by registered voters of the district equal in number to 5 percent of the number of votes cast in the district for the office of Governor at the last preceding election at which a Governor was elected.

The term "by zones" shall mean the election of directors of a local hospital by the voters of the zone alone. The term "from zones" shall mean the election of directors of a local hospital district who are residents of the zone from which they are elected by the voters of the entire district.

(Added by Stats. 1980, Ch. 571.)

32100.7.

Notwithstanding Section 32100.01, the Board of Directors of Valley Health System, a local hospital district, may 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 and subject to any conditions specified in the resolution. The additional vacancies created by the expansion shall be filled by election. Notwithstanding Section 32100.02, if Valley Health System has duly adopted election of directors by zones pursuant to Section 32100.1, the additional vacancies created by expansion shall likewise be filled by election by zones. Notwithstanding Section 32100.1, the initial election to fill the additional vacancies may be at any one of the regular election dates provided for in Section 2500 of the Elections Code and the resolution shall designate the election date. The director elected at the election but receiving the lesser number of votes shall hold office until a successor elected at the next following general election takes office pursuant to Section 23556 of the Elections Code, and the director elected at the election receiving the greater number of votes shall hold office until a successor elected at the general election two years thereafter takes office. After the expiration of the initial terms as provided in the previous sentence, the terms of directors elected to fill each of the additional vacancies shall be as provided in Section 32100.

(Added by Stats. 1994, Ch. 201, Sec. 1. Effective July 18, 1994. Conditionally operative as prescribed by Sec. 2 of Ch. 201. Note: Operational condition relates to execution of certificate of completion for Riverside County LAFCO Case #94-16.)

32101.

All registered voters residing within the territory comprising a district organized under this division are qualified electors.

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

32103.

The board of directors shall serve without compensation except that the board of directors, by a resolution adopted by a majority vote of the members of the board, may authorize the payment of not to exceed one hundred dollars (\$100) per meeting not to exceed five meetings a month as compensation to each member of the board of directors.

Each member of the board of directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the district as approved by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

(Amended by Stats. 2005, Ch. 700, Sec. 16. Effective January 1, 2006.)

32104.

The board of directors shall provide for the time and place of holding its regular meetings and the manner of calling the same, and shall establish rules for its proceedings and may adopt such rules and regulations not inconsistent with law as may be necessary for the exercise of the powers conferred and the performance of the duties imposed upon the board.

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

32106.

(a) Except as provided in this section, Section 32155, or the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) all of the sessions of the board of directors, whether regular or special, shall be open to the public, and a majority of the members of the board shall constitute a quorum for the transaction of business.

(b) The board of directors may order that a meeting held solely for the purpose of discussion or deliberation, or both, of reports involving district trade secrets be held in closed session. Except as provided in this subdivision, the closed session shall meet all applicable requirements of Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code, including Section 54957.7.

(c) "Health care facility trade secrets," as used in this section, means a "trade secret," as defined in subdivision (d) of Section 3426.1 of the Civil Code, and in addition meets all of the following:

(1) Is necessary to initiate a new district service or program or add a district health care facility.

(2) Would, if prematurely disclosed, create a substantial probability of depriving the district of a substantial economic benefit.

(d) The exception provided in subdivision (b) to the general open meeting requirements for a meeting of the board of directors, shall not apply to a meeting where there is action taken, as defined in Section 54952.6 of the Government Code.

(e) Nothing in this section shall be construed to permit the board of directors to order a closed meeting for the purposes of discussing or deliberating, or to permit the discussion or deliberation in any closed meeting of any proposals regarding:

(1) The sale, conversion, contract for management, or leasing of any district health care facility or the assets thereof, to any for-profit or nonprofit entity, agency, association, organization, governmental body, person, partnership, corporation, or other district.

(2) The conversion of any district health care facility to any other form of ownership by the district.

(3) The dissolution of any district.

(Amended by Stats. 1994, Ch. 696, Sec. 4. Effective January 1, 1995.)

32107.

A district may destroy a record pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code.

(Added by Stats. 2005, Ch. 158, Sec. 25. Effective January 1, 2006.)

32110.

(a) Except as provided in subdivision (d), no person who is a director, policymaking management employee, or medical staff officer of a hospital owned or operated by a district shall do either of the following:

(1) Possess any ownership interest in any other hospital serving the same area as that served by the district hospital of which the person is a director, policymaking management employee, or medical staff officer.

(2) Be a director, policymaking management employee, or medical staff officer of any hospital serving the same area as the area served by the district hospital.

(b) For purposes of this section, a hospital shall be considered to serve the same area as a district hospital when more than 5 percent of the hospital's patient admissions are residents of the district.

(c) For purposes of this section, the possession of an ownership interest, including stocks, bonds, or other securities by the spouse or minor children or any person shall be deemed to be the possession or interest of the person.

(d) No person shall serve concurrently as a director or policymaking management employee of a district and as a director or policymaking management employee of any

other hospital serving the same area as the district, unless the boards of directors of the district and the hospital have determined that the situation will further joint planning, efficient delivery of health care services, and the best interest of the areas served by their respective hospitals, or unless the district and the hospital are affiliated under common ownership, lease, or any combination thereof.

(e) Any candidate who elects to run for the office of member of the board of directors of a district, and who owns stock in, or who works for any health care facility that does not serve the same area served by the district in which the office is sought, shall disclose on the ballot his or her occupation and place of employment.

(Amended by Stats. 1994, Ch. 696, Sec. 5. Effective January 1, 1995.)

32111.

(a) A member of a health care district's medical or allied health professional staff who is an officer of the district shall not be deemed to be "financially interested," for purposes of Section 1090 of the Government Code, in any of the contracts set forth in subdivision (b) made by any district body or board of which the officer is a member if all of the following conditions are satisfied:

(1) The officer abstains from any participation in the making of the contract.

(2) The officer's relationship to the contract is disclosed to the body or board and noted in its official records.

(3) If the requirements of paragraphs (1) and (2) are satisfied, the body or board does both of the following, without any participation by the officer:

(A) Finds that the contract is fair to the district and in its best interest.

(B) Authorizes the contract in good faith.

(b) Subdivision (a) shall apply to the following contracts:

(1) A contract between the district and the officer for the officer to provide professional services to the district's patients, employees, or medical staff members and their respective dependents, provided that similar contracts exist with other staff members and the amounts payable under the contract are no greater than the amounts payable under similar contracts covering the same or similar services.

(2) A contract to provide services to covered persons between the district and any insurance company, health care service plan, employer, or other entity that provides health care coverage, and that also has a contract with the officer to provide professional services to its covered persons.

(3) A contract in which the district and the officer are both parties if other members of the district's medical or allied health professional staff are also parties, directly or through their professional corporations or other practice entities, provided the officer is offered terms no more favorable than those offered any other party who is a member of the district's medical or allied health professional staff.

(c) This section does not permit an otherwise prohibited individual to be a member of the board of directors of a district, including, but not limited to, individuals described

in Section 32110 of this code or in Section 53227 of the Government Code. Nothing in this section shall authorize a contract that would otherwise be prohibited by Section 2400 of the Business and Professions Code.

(d) For purposes of this section, a contract entered into by a professional corporation or other practice entity in which the officer has an interest shall be deemed the same as a contract entered into by the officer directly.

(Amended by Stats. 2004, Ch. 183, Sec. 207. Effective January 1, 2005.)