

INITIAL STATEMENT OF REASONS

ADOPTION OF NEW REGULATIONS RELATING TO THE NOTICE THAT HEALTH CARE DISTRICTS MUST PROVIDE TO THE ATTORNEY GENERAL WITHIN THIRTY DAYS OF TRANSFERRING OR LEASING DISTRICT ASSETS TO OTHER CORPORATIONS PURSUANT TO RECENT AMENDMENTS TO HEALTH AND SAFETY CODE SECTIONS 32121 AND 32126.

I. General Purpose of Regulations

The proposed regulations add Chapter 17, section 999.40 to Title 11, Division 1 of the California Code of Regulations, pursuant to the authority of Health and Safety Code sections 32121 and 32126 which require health care districts to report to the Attorney General, within thirty days of entering into any lease or transfer of district assets, the type of transaction and the entity to whom the assets were leased or transferred. The proposed regulations contain the addresses to which the health care district must report the required information, and a description of the required information.

II. Technical Studies Relied Upon

The Attorney General did not rely upon any technical, theoretical or empirical study, report or other similar document in proposing these regulations.

III. Alternatives to the Proposed Regulations

Adoption of these proposed regulations is necessary for health care districts to comply with Health and Safety Code sections 32121 and 32126. There are no reasonable alternatives.

IV. Economic Impact on Business

The proposed amendments to the regulations do not have any direct affect on business. The regulation will impose a minor cost on health care districts in complying with the reporting requirement. The Attorney General estimates that this cost will be approximately \$11 per report.