

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 203 Lower Florida Keys Hospital District/Codification
SPONSOR(S): Sorensen
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Government & Veterans' Affairs</u>	_____	<u>Sheheane</u>	<u>Highsmith-Smith</u>
2) <u>Judiciary</u>	_____	_____	_____
3) <u>Finance & Tax</u>	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

This bill codifies all prior special acts relating to the Lower Florida Keys Hospital District into a single act. The District is currently authorized to levy up to 2 mills ad valorem tax on taxable district property. This bill does not change that provision. The codification of these special acts does not appear to alter the effect of existing law pertaining to the District.

According to the Economic Impact Statement there are no fiscal impacts on the state budget or local government budgets.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

This bill codifies all prior special acts relating to the Lower Florida Keys Hospital District in Monroe County into a single act and repeals all prior special acts relating to the District's charter. This bill maintains the board's authority to levy taxes up to 2 mills on taxable real property.

Background

The Lower Florida Keys Hospital District was created in 1967 by chapter 67-1724, Laws of Florida and has been subsequently amended by 16 special acts. The Lower Florida Keys Hospital District is an independent special district and is currently authorized to levy up to 2 mills ad valorem tax on taxable district property.

Codification

Codification is the process of bringing a special act up-to-date. After a special district is created, special acts often amend or alter the special district's charter provisions. To ascertain the current status of a special district's charter, it is necessary to research all amendments or changes made to the charter since its inception or original passage by the Legislature. Codification of special district charters is important because it allows readers to more easily determine the current charter of a district.

Codification of special district charters was authorized by the 1997 Legislature when it amended chapter 189, Florida Statutes, to provide for codification of all special district charters either by December 1, 2001, or when any act relating to such district is introduced to the Legislature, whichever occurs first. Section 189.429, Florida Statutes (1997), also required that no changes be made to a district's charter, as it existed on October 1, 1997. However, the 1998 Legislature amended section 189.429, Florida Statutes, to: (1) extend the codification deadline to December 1, 2004; (2) allow for the adoption of the codification schedule provided for in an October 3, 1997, memorandum issued by the Chair of the Committee on Community Affairs; (3) remove the prohibition of substantive amendments in a district's codification bill; and (4) remove the requirement that a codified charter must be submitted prior to the introduction of any act relating to the charter or prior to the scheduled deadline. Any codified act relating to a special district must provide for the repeal of all prior special acts of the Legislature relating to the district.

Schedule of Submittals of Special Districts' Charters

Special Districts with less than 2 special acts	1999 Legislative Session
Special Districts with 3 - 4 special acts	2000 Legislative Session

Special Districts with 5 - 7 special acts	2001 Legislative Session
Special Districts with 8 - 12 special acts	2002 Legislative Session
Special Districts with more than 12 special acts	2003 Legislative Session
Special Fire Control Districts	2004 Legislative Session

Since the enactment of sections 189.429 and 191.015, Florida Statutes, 122 special districts have codified their charters. A list of those special districts that have codified pursuant to sections 189.429 and 191.015, Florida Statutes, is available at the office of the Committee on Local Government and Veterans' Affairs, Florida House of Representatives.

Status Statement Language

Section 189.404(5), Florida Statutes, provides that after October 1, 1997, the charter of any newly created special district shall contain and, as practical, the charter of a preexisting special district shall be amended to contain, a reference to the status of the special district as dependent or independent. When necessary, the status statement shall be amended to conform to the department's determination or declaratory statement regarding the status of the district.

C. SECTION DIRECTORY:

Section 1: States that this act constitutes the codification of all special acts relating to this district.

Section 2: States that all previous laws pertaining to this District are codified, reenacted, amended and repealed.

Section 3: Recreates and reenacts the district charter, providing the following:

Section 1: Creates and names the District and establishes the boundaries for the District.

Section 2: Establishes the governing body (board) for the District and provides the guidelines and organization for the board. The board shall consist of nine commissioners, of whom no more than one commissioner may be a member of the medical profession. The commissioners are appointed by the Governor and serve four year terms.

Section 3: (1) Establishes that the board shall have all the powers of a body corporate.
 (2) Authorizes the board to form a Florida not-for-profit corporation of which the district is the sole member.
 (3) Establishes requirements for transactions by the not-for-profit corporation.

Section 4: Establishes guidelines for meetings of the board.

Section 5: Provides for keeping of minutes and records.

Section 6: Authorizes the board to establish, construct, lease, operate and maintain hospitals and other health care facilities in the district.

Section 7: (1) Establishes guidelines for the bid process for purchases of \$5,000 or more by the District.

(2) Delegates authority to the board to grant, deny, revoke or suspend staff privileges for medical facilities in the District.

- Section 8: The board is authorized to establish a training school for nurses and other health care professionals in the District. The board is also authorized to establish, operate and maintain other services related to the operation of hospitals or other health care related facilities.
- Section 9: Authorizes board to establish, maintain or participate in medical research, education and development programs and projects.
- Section 10: Describes provisions under which the board can borrow money. Establishes that the board shall have exclusive control of all expenditures and revenues of the district.
- Section 11: Authorizes the board to issue bonds for the purpose of raising funds for the operation of the District.
- Section 12: States that the board shall, by resolution, determine the amount of revenue that will need to be raised by taxation for an interest and sinking fund to pay the interest on bonds. This is to be done prior to the issuance of bonds. Authorizes and requires the board to provide annually for the levy and collection of tax upon all taxable property in the district.
- Section 13: States that all bonds issued by the board must be approved by a majority of the electors voting in an election. Establishes that the board shall be responsible for calling and holding the election. Provides requirements for notice of election.
- Section 14: Establishes guidelines for the bond election.
- Section 15: States that the procedure outlined in chapter 100, Florida Statutes shall govern the bond election as far as practicable and where not inconsistent with the provisions of this act.
- Section 16: Establishes bond denominations and interest and principal payment schedule for bonds. States the forms of bonds shall be fixed by resolution of the board.
- Section 17: Provides that bonds issued by the board may be either registered or coupon bonds. Establishes conditions for registration and transfer of bonds.
- Section 18: States that before any bonds of the district are issued, the board shall investigate and determine the legality of the proceedings. Provides a recital that shall be an authorized declaration by the board that shall state that there is constitutional and statutory authority for incurring debts and issuing bonds.
- Section 19: States that the board has the authority to include more than one improvement or hospital purpose in any bond issue.
- Section 20: Provides guidelines for advertisement of bond issuance and notice of sale of bonds. Establishes bid procedure for bonds.
- Section 21: States that no resolution or proceeding in respect to the issuance of bonds shall be necessary except as required by this act. States that the bonds issued shall have all the qualities of negotiable paper.
- Section 22: Grants the board power to provide for the issuance of refunding bonds to refund principal and interest of existing bond indebtedness. States that the board has the

authority, by resolution, to issue such bonds by a majority vote of the board. No election need be held to authorize the issuance of refunding bonds.

Section 23: Provides guidelines for the issuance of refunding bonds.

Section 24: States the conditions for establishing the validity of refunding bonds.

Section 25: Establishes conditions for sale or exchange of refunding bonds.

(1) Refunding bonds may be sold or exchanged in installments at different times.

(2) Refunding bonds can be exchanged privately for payment of outstanding notes.

(3) Refunding bonds may not be sold at less than ninety-five percent (95%) of par.

Section 26: States that all bonds or refunding bonds issued pursuant to this act shall be legal investments for state, county, municipal and all other public funds.

Section 27: States conditions for payment of the funds of the district. States that no funds shall be drawn or issued except for purposes authorized by this act.

Section 28: Establishes a special account for hospital administrators. Establishes guidelines for the special account.

Section 29: Authorizes the board to levy ad valorem taxes upon taxable property within the district. Establishes that the rate of ad valorem taxation shall not exceed two (2) mills.

Section 30: Establishes conditions for assessment and collection of taxes levied by the board. Provides for the role of the County Commission, tax assessor and tax collector in the assessment and collection of taxes.

Section 31: Authorizes the board to pay all expenses related to the organization of the board, formation of the district and other reasonable and necessary expenses approved and certified by the board. These expenses will be paid from the funds of the district.

Section 32: (1) Establishes that the board has the authority to enter into contracts with other governmental entities as well as private groups for the purposes of construction and improvements to medical facilities in the district. Also states that the board may enter into contracts to receive grants or loans from federal, state or other public bodies.

(2) Authorizes the board to lease or sell any real or personal property owned by the district. Establishes terms for these transactions.

(a) The board may determine the manner in which any real or personal property with a fair value of less than \$2,500 may be leased or sold.

(b) Any real or personal property of fair market value of more than \$2,500 may be leased or donated to a public or private health service organization for provision of medical services that the board cannot provide on its own.

(c) Sets procedure for sale or lease of real or personal property of a fair value of more than \$2,500 by the board if the property is considered to be surplus.

(d) Authorizes the board to accept or reject bids upon surplus property.

(e) Empowers the board to convey surplus property to any governmental body located partially or entirely within the boundaries of the district for a nominal consideration.

(f) Expect as authorized, any real or personal property of a fair market value of \$2,500 may not be leased for a term exceeding one year and one day.

Section 33: States that the board must publish a detailed annual statement of all monies received and dispersed by the District. This statement must be published at least once a year and appear in a newspaper published in the district.

Section 34: Establishes that medical facilities established under this act shall be for the use and benefit of the residents of the district. Sets conditions for non-residents of the district to use health care facilities. Authorizes the board to accept welfare funds or monies from governmental agencies for welfare and hospital purposes. Grants the board authority to deny treatment to any person that has a communicable or contagious disease that may be a detriment to the best interests of the health care facility. Sets guidelines for treatment of indigent residents and prisoners.

Section 35: Empowers the board to set rules, regulations and bylaws governing the operation of any medical facility in the district. Establishes that there will be no liability on the part of any medical facility, medical staff or the district board of commissioners for any action taken in good faith and without malice.

Section 36: States that the board shall secure liability insurance covering vehicles and premises as well as liability insurance covering medical malpractice. Waives immunity of the District against liability damages to the extent of liability insurance carried.

Section 37: The board is empowered to destroy any records provided that the records are photographed or microfilmed before destruction.

Section 38: Provides for severability if any section of this act is held invalid.

Section 39: Repeals all laws or parts of laws in conflict with this act.

Section 4: Provides for severability if any section of this act is held invalid.

Section 5: In the event of a conflict between the provisions of this act and the provisions of any other act, the provisions of this act shall control to the extent of such conflict.

Section 6: This act shall be construed as a remedial act and shall be liberally construed to promote the purpose for which it is intended.

Section 7: Chapters 67-1724, 69-1322, 72-617, 73-555, 73-558, 75-450, 77-600, 77-601, 77-602, 77-603, 78-565, 79-511, 82-414, 87-459, 89-551, 94-415, Laws of Florida, are repealed.

Section 8: This act shall take effect upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 30, 2002

WHERE? Key West Citizen, Key West, Florida.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

None.