

## HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

**BILL #:** HB 601 w/CS Cape Canaveral Hospital District  
**SPONSOR(S):** Allen  
**TIED BILLS:**

**IDEN./SIM. BILLS:**

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Affairs (Sub)</u>	<u>7 Y, 0 N</u>	<u>Sheheane</u>	<u>Highsmith-Smith</u>
2) <u>Local Government &amp; Veterans' Affairs</u>	<u>13 Y, 2 N w/CS</u>	<u>Sheheane</u>	<u>Highsmith-Smith</u>
3) <u>Judiciary</u>	<u></u>	<u>Havlicak</u>	<u>Havlicak</u>
4) <u>Finance &amp; Tax</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

This bill codifies all prior special acts relating to the Cape Canaveral Hospital District in Brevard County, Florida. The bill states that it is the purpose of the District to provide health care service and facilities to those within the District's boundaries and surrounding communities regardless of ability to pay. The bill provides new language describing the Board's powers in the event that it no longer has responsibility for the operation and management of Cape Canaveral Hospital. The bill clarifies and extends existing language in the Hospital District's charter that holds that construction of the Hospital and related facilities on its existing site is necessary for the preservation of public health. The bill also affirms that operation, construction and maintenance of hospital facilities on any lands the Hospital obtains from the Board of Trustees of the Internal Improvement Trust Fund (Trustees) in exchange for contiguous submerged lands owned by the Hospital is in the public interest. The Trustees would still need to approve any exchange of lands.

The bill also deems that activities permitted pursuant to ch. 373, F.S., are necessary to enhance the public health of the area served by the Hospital.

The bill authorizes the District to prepare and adopt a Comprehensive Public Facilities Report for construction and development of health care facilities pursuant to chapter 189, F.S., and requires the height, density, or intensity of construction to comply with applicable state law. The bill requires any fill of submerged lands to comply with all applicable state law.

The bill also provides that if the Public Facilities Report is in compliance with the stated conditions, it is deemed consistent with state law and the City of Cocoa Beach Charter, comprehensive plan and land development regulation for height, density, or intensity of construction or the fill of submerged lands.

The District is currently authorized to levy up to 1 mill on taxable property for all expenses of the Hospital not including debt service on bonds. The District is also currently not to exceed levying a tax above 2.25 mills for all expenses including debt service on any such bonds. This bill does not appear to change those provisions.

According to the Economic Impact Statement, there does not appear to be an impact to local or state budgets.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0601d.ju.doc  
**DATE:** April 12, 2003

## 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 Cape Canaveral Hospital District in Brevard County into a single act and repeals all prior special acts relating to the District's charter. The bill maintains the Board's authority to levy taxes up to 1 mill for all Hospital expenses other than debt bonds and up to 2.25 mills for expenses including debt service on any such bonds.

The bill clarifies and extends existing language in the Hospital District's charter that holds that construction of the Hospital and related facilities on its existing site is necessary for the preservation of public health. The bill also affirms that operation, construction and maintenance of hospital facilities on any lands the Hospital obtains from the Board of Trustees of the Internal Improvement Trust Fund (Trustees) in exchange for contiguous submerged lands owned by the Hospital is in the public interest. The Trustees would still need to approve any exchange of lands.

The bill also deems that activities permitted pursuant to ch. 373, F.S., are necessary to enhance the public health of the area served by the Hospital.

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The bill also provides that if the Public Facilities Report is in compliance with the stated conditions, it is deemed consistent with state law and the City of Cocoa Beach Charter, comprehensive plan and land development regulation for height, density, or intensity of construction or the fill of submerged lands.

The District is currently authorized to levy up to 1 mill on taxable property for all expenses of the Hospital not including debt service on bonds. The District is also currently not to exceed levying a tax above 2.25 mills for all expenses including debt service on any such bonds. This bill does not appear to change those provisions.

#### **Background**

The Cape Canaveral Hospital District was created in 1959 by chapter 59-1121, Laws of Florida, and has been subsequently amended by 6 special acts. The Cape Canaveral Hospital District is a special tax district and is currently authorized to levy taxes up to 1 mill for all Hospital expenses other than debt bonds and up to 2.25 mills for expenses including debt service on any such bonds.

#### **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 initially authorized by the 1997 Legislature and is codified in s. 189.429, F.S. and s. 191.015, F.S. The 1998 Legislature subsequently amended both sections of statute. Current law provides for codification of all special district charters by December 1, 2004. The 1998 law allows 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. 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. Additionally, the 2001 Legislature amended s. 189.429, Florida Statutes to provide that reenactment of existing law pursuant to s. 189.429: (1) shall not be construed to grant additional authority nor to supercede the authority of an entity; (2) shall continue the application of exceptions to law contained in special acts reenacted pursuant to the section; (3) shall not be construed to modify, amend, or alter any covenants, contracts, or other obligations of any district with respect to bonded indebtedness; and (4) shall not be construed to affect a district's ability to levy and collect taxes, assessments, fees, or charges for the purpose of redeeming or servicing the district's bonded indebtedness.

### **Status Statement Language**

Section 189.404(5), F.S., 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 of Community Affairs'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 the District.

**Section 2:** States that all previous laws pertaining to the district are codified, reenacted, amended, and repealed.

**Section 3:** Reenacts and recreates the district charter, providing the following:

Section 1: Provides that the District is an independent special tax district and explains that it is the District's intent to provide health care facilities and services to those individuals in need within the District's boundaries and surrounding communities. This section also describes and maintains the boundaries of the District.

Section 2: Describes and explains references to the Hospital District, the Board, and provides new language regarding references to the Board of Trustees of Cape Canaveral Hospital, Inc.

Section 3: Provides language naming the governing authority of the District and describes said Board.

Section 4:

(A) Establishes the provision that the powers of the Board are subject to specific stipulations relating to operation and management of the Hospital.

(1) Maintains that the Board may acquire real property for the purposes of the District.

- (2) This section maintains language stating that the District may operate and manage health facilities or health related services for the benefit of the District. The section also maintains current law requiring a majority vote by voters within the District in order to sell the health related facilities.
- (3) States that the Board is authorized to adopt all necessary rules and regulations pertinent to the efficient operation of the Hospital.
- (4) Maintains that the Board is authorized to establish a medical staff, establish qualifications for membership, and other ramifications regarding the privileges the Board may grant to the medical staff.
- (5) Maintains that the Board may contract with individuals, partnerships, corporations, municipalities, political subdivisions, agencies, and districts of the State of Florida, the United States of America or any states thereof. Also provides new language that the Board may contract with limited liability companies as well.
- (6) States that the Board is to determine the amount of money that is in addition to anticipated income to be paid by patients who are treated in the Hospital, which will be required during the ensuing fiscal year to pay all obligations to be incurred by the Hospital. This section also maintains that the Board may levy taxes up to 1 mill for expenses other than debt service of any bonds and may levy up to 2.25 mills including debt service of any bonds.
- (7) Provides language maintaining that the Board is authorized to hire, appoint, and discharge agents of the District which include servants, attorneys, accountants, administrators, and other nonmedical employees.
- (8) States that the Board is to designate a depository for the funds of the Board and to establish a method for the funds to be withdrawn.
- (9) Maintains that the Board is to establish a fiscal year for the District.
- (10) States that the Board has the authority to issue bonds to the Hospital District to finance any facilities that the District is authorized to purchase. This section also provides new language pertaining to the limits of bond payment and describes current law regarding the process of bonds.
- (11) (a) Maintains that the Board may provide, by resolution, the issuance of Revenue Certificates for the purpose of paying debts associated with the facilities of the Hospital District. This section also describes the process and regulations of Revenue Certificates as pertinent to the District.
- (b) Maintains that the Certificates may be issued under the provisions of this act without permission being sought from the State or County.
- (c) States that the proceeds must be used solely for the payment of the cost of the Hospital facilities.
- (d) This section provides current language stating that the Revenue Certificates issued under the act may be payable from the revenue derived from the operation of any Hospital facility.
- (e) States that the Board may not convey or mortgage any Hospital facility as security for payment of the Revenue Certificates.

- (f) States that the Board may secure issuance of Revenue Certificates with a Trust Agreement. This section provides detail to Trust Agreements relevant to Revenue Certificates.
- (g) States that the resolution of the Trust Agreement may contain limitations as the District deems proper.
- (h) Maintains that the Board is authorized to provide by resolution for the issuance of Refunding Revenue Certificates. This section also provides current stipulations for Refunding Revenue Certificates.
- (12) States that the Board may provide a retirement program for the Hospital's District's employees and to regulate and establish the retirement program pursuant to chapter 122, F.S.
- (B) Provides new language relating to the Board's powers in the case that the Board no longer has responsibility of operation and management as a result of leasing the facilities to a non-profit organization. This section also states that the Board will not have the powers authorized in the previous section (section 4 A), but will have the following abilities as described in this section.
- (1) Provides the Board with the ability to acquire real or personal property and to improve or maintain said property for purposes of the District.
- (2) Provides the Board with the ability to contract with individuals, partnerships, limited liability companies and others for the purposes of the District.
- (3) States that the Board is to determine the amount of money that is in addition to anticipated income to be paid by patients who are treated in the Hospital, which will be required during the ensuing fiscal year to pay all obligations to be incurred by the Hospital. This section also maintains that the Board may levy taxes up to 1 mill for expenses other than debt service of any bonds and may levy up to 2.25 mills including debt service of any bonds.
- (4) States that the Board is to designate a depository for the funds of the Board and to establish a method for the funds to be withdrawn.
- (5) Authorizes the Board to establish a fiscal year for the District.
- (6) States that the Board has the authority to issue bonds to the Hospital District to finance any facilities that the District is authorized to purchase. This section also provides new language pertaining to the limits of bond payment and describes current law regarding the process of bonds pertaining to the District.
- (7) Maintains that the Board may provide, by resolution, the issuance of Revenue Certificates for the purpose of paying debts associated with the facilities of the Hospital District. This section also describes the process and regulations of Revenue Certificates as pertinent to the District; provides that the Certificates may be issued under the provisions of this act without permission being sought from the State or County; states that the proceeds of the Certificates must be used solely for the payment of the cost of the Hospital facilities; this section provides language stating that the Revenue Certificates issued under the act may be payable from the revenue derived from the operation of any Hospital facility; establishes that the Board may not convey or mortgage any Hospital facility as security for payment of the Revenue Certificates; provides that the Board may secure issuance of Revenue Certificates with a Trust Agreement. This section provides detail to Trust Agreements relevant to Revenue Certificates; provides that the resolution of the Trust Agreement may contain limitations as the District deems proper; provides that the Board is authorized to provide by resolution for the issuance of Refunding

Revenue Certificates; this section also provides current stipulations for Refunding Revenue Certificates.

Section 5: Maintains that the governing body of the District shall consist of 12 members, each of whom shall be a qualified elector residing in the District.

Section 6: States that each member will serve for a term of 4 years or until his or her successor has been appointed or qualified. The Board members shall not receive compensation.

Section 7: States that the Governor of Florida shall appoint the successors to the Board upon expiration of the term of office of a member.

Section 8: States that the Board is to elect from its membership a chair, vice chair, secretary, and treasurer each of whom shall serve for a term of one year or until his or her successor is elected.

Section 9: States that seven members of the Board shall constitute a quorum and that action may only be taken upon an affirmative vote by a majority of the members.

Section 10: States that the Board is to hold regular scheduled meetings to be determined by the Board. The President of the Board shall have the ability to call special meetings or in his or her absence the Vice President of the Board.

Section 11: States that the Board is to keep accurate minutes of its meeting and proceedings and this shall be open to the public.

Section 12: States that all meetings shall be open to the public.

Section 13: States that the Hospital shall be for the public good and welfare thereof. This section also provides new language stating that if the District equally exchanges submerged lands with the Board of Trustees of the Internal Trust Fund, it will be deemed to be in the public interest as long as the purpose is consistent with this section and ch. 253 and 273, F.S.

Section 14: This section authorizes the District to prepare and adopt a Comprehensive Public Facilities Report for construction and development of health care facilities pursuant to chapter 189, F.S., and requires the height, density, or intensity of construction to comply with applicable state law. This section requires any fill of submerged lands to comply with all applicable state law. This section also provides that if the Public Facilities Report is in compliance with the stated conditions, it is deemed consistent with state law and the City of Cocoa Beach Charter, comprehensive plan and land development regulation for height, density, or intensity of construction or the fill of submerged lands

Section 15: States that the contents of this act shall be liberally construed for the purposes of the act.

Section 16: Provides for severability.

Section 17: In accordance with section 189.404(3), F.S., the following shall constitute the minimum charter requirements for the District:

(1) States that the District exists for purposes set forth in this act and may be amended from time to time.

(2) States that all powers and functions of this act shall be pursuant to this act and chapters 189 and 197, F.S., as they may be amended time to time.

- (3) States that the District was created by chapter 59-1121, Laws of Florida, as amended.
- (4) States that the District's charter may only be amended by special act of the Legislature.
- (5) In accordance with chapter 189, F.S., the District is governed by a 12 member Board.
- (6) The compensation of the Board shall be as provided in this act.
- (7) Administrative duties of the Board shall be as set forth in this act and chapter 189, F.S., as amended from time to time.
- (8) Requirements for financial disclosure, meeting notices and public record maintenance shall be as set forth in chapters 112, 119, 189, and 286, F.S.
- (9) Procedures and requirements of bonds and notes shall be as set forth in this act and applicable to general laws as amended from time to time.
- (10) Procedures for conducting any elections or referenda shall be pursuant to this act and chapter 189, F.S. as amended from time to time.
- (11) The District may be financed by any method established in this act and are applicable to general laws as amended from time to time.
- (12) The District does not collect non-ad valorem assessments or fees as set forth in chapter 197, F.S.
- (13) The District's planning requirements shall be as set forth in chapter 189, F.S. as amended from time to time.
- (14) The District's boundary limits are set forth in this act.
- (15) This section shall not limit or restrict any section of this act.

**Section 4:** If any section of this act has been held invalid, the invalidity shall not effect other provisions of this act.

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

**Section 6:** This act shall be construed as a remedial act and shall be liberally construed for the purposes of this act.

**Section 7:** Chapters 59-1121, 61-1903, 65-1290, 69-861, 75-332, 81-345, 86-426, 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? January 21, 2003

WHERE? *Florida Today*, Brevard County.

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:

#### Drafting Issues

There do not appear to be any technical drafting issues.

#### Other Comments

A representative of the Department of Environmental Protection (DEP) stated that there were conversations with the Hospital District regarding the exchange of submerged lands. This representative also stated that no agreement has been reached. The DEP representative voiced concerns regarding the exchange since the submerged lands in question are characterized as “shellfish harvesting waters.”

**Supremacy Clause** – Section 5 of the bill contains a supremacy clause.

Many local bills contain language providing that in the event of a conflict of the provisions of the local bill with the provisions of any other general or local law, the provisions of the act being considered controls to the extent of the conflict(s). This is referred to as a “supremacy” clause. This language does not allow interested persons or Members of the Legislature knowledge of the specific laws containing potential conflicts. Unless those specific laws in conflict are identified, it is suggested that the “supremacy” clause be removed from the bill.

### IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

The Committee on Local Government & Veterans’ Affairs voted favorably to adopt a CS for the bill.

The CS differs from the bill in that it clarifies and extends existing language in the Hospital District’s charter that holds that construction of the Hospital and related facilities on its existing site is necessary for the preservation of public health. The amendment also affirms that operation, construction and maintenance of hospital facilities on any lands the Hospital obtains from the Board of Trustees of the Internal Improvement Trust Fund (Trustees) in exchange for contiguous submerged lands owned by the Hospital is in the public interest. The Trustees would still need to approve any exchange of lands.

The CS also deems that activities permitted pursuant to ch. 373, F.S., are necessary to enhance the public health of the area served by the Hospital.

The CS also authorizes the District to prepare and adopt a Comprehensive Public Facilities Report for construction and development of health care facilities pursuant to chapter 189, F.S., and requires the height, density, or intensity of construction to comply with applicable state law. The bill requires any fill of submerged lands to comply with all applicable state law.

The bill also provides that if the Public Facilities Report is in compliance with the stated conditions, it is deemed consistent with state law and the City of Cocoa Beach Charter, comprehensive plan and land development regulation for height, density, or intensity of construction or the fill of submerged lands.