By the Committees on Health, Aging and Long-Term Care; Comprehensive Planning, Local and Military Affairs; and Senators Mitchell and Lawson

317-2226-02

A bill to be entitled

An act relating to small counties; amending s. 212.055, F.S.; allowing small counties having a specified population to levy an indigent care surtax; providing procedures; providing uses of the surtax; providing a maximum tax rate; amending s. 336.025, F.S.; authorizing municipalities within small counties to use revenues from a local option fuel tax to fund infrastructure projects that are consistent with the comprehensive plan; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (7) of section 212.055, Florida Statutes, is amended to read:

212.055 Discretionary sales surtaxes; legislative intent; authorization and use of proceeds.—It is the legislative intent that any authorization for imposition of a discretionary sales surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the levy. Each enactment shall specify the types of counties authorized to levy; the rate or rates which may be imposed; the maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if required; the purpose for which the proceeds may be expended; and such other requirements as the Legislature may provide. Taxable transactions and administrative

(7) VOTER-APPROVED INDIGENT CARE SURTAX.--

procedures shall be as provided in s. 212.054.

The governing body in each county that has a population of less than 800,000 residents may levy an indigent care surtax pursuant to an ordinance conditioned to take effect only upon approval by a majority vote of the electors of the county voting in a referendum. The surtax may be levied at a rate not to exceed 0.5 percent, except that if a publicly supported medical school is located in the county, the rate shall not exceed 1 percent.

(b) A statement that includes a brief and general description of the purposes to be funded by the surtax and that conforms to the requirements of s. 101.161 shall be placed on the ballot by the governing body of the county. The following questions shall be placed on the ballot:

FOR THE. . . . CENTS TAX AGAINST THE. . . . CENTS TAX

(c) Notwithstanding paragraph (a), the governing body in each county that has a population of fewer than 30,000 residents may levy an indigent care surtax conditioned to take effect only upon approval by a majority vote of the electors of the county voting in a referendum. In addition to the uses otherwise set out in this subsection, a county that has a population of fewer than 30,000 residents may pledge such proceed for the purpose of servicing new or existing bond indebtedness incurred to finance, plan, construct, or reconstruct a public or not-for-profit hospital in such county and any land acquisition, land improvement, design, or engineering costs related thereto, when the county commission has determined that a currently existing public or not-for-profit hospital would, more likely than not, otherwise

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cease to operate. Such counties may also use the services of the Division of Bond Finance of the State Board of Administration pursuant to the State Bond Act to issue bonds under this subsection. A jurisdiction may not issue bonds under this subsection more frequently than once per year. Any county that has a population of fewer than 30,000 residents at the time the bonds authorized in this subsection are issued retains the authority granted under this subsection throughout the term of the bonds, including the term of any refinancing bonds, regardless of any subsequent increase in population which results in the county's having 30,000 or more residents and regardless of amendments to or repeal of this subsection. The rate of the surtax levied under this paragraph may not exceed 1 percent.

(d)(c) The ordinance adopted by the governing body providing for the imposition of the surtax must set forth a plan for providing health care services to qualified residents, as defined in paragraph(e)(d). The plan and subsequent amendments to it shall fund a broad range of health care services for indigent persons and the medically poor, including, but not limited to, primary care and preventive care, as well as hospital care. It shall emphasize a continuity of care in the most cost-effective setting, taking into consideration a high quality of care and geographic access. Where consistent with these objectives, it shall include, without limitation, services rendered by physicians, clinics, community hospitals, mental health centers, and alternative delivery sites, as well as at least one regional referral hospital where appropriate. It shall provide that agreements negotiated between the county and providers shall 31 include reimbursement methodologies that take into account the

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cost of services rendered to eligible patients, recognize 2 hospitals that render a disproportionate share of indigent 3 care, provide other incentives to promote the delivery of 4 charity care, and require cost containment, including, but not 5 limited to, case management. The plan must also include 6 innovative health care programs that provide cost-effective 7 alternatives to traditional methods of service delivery and 8 funding. In addition to the services otherwise authorized under this subsection, in counties having a population of 9 10 fewer than 30,000 residents the plan for providing health care 11 services to qualified residents may, by an extraordinary vote of the county commission, provide that some or all of the 12 surtax revenues and any interest accrued thereon must be 13 14 expended for the purpose of servicing bond indebtedness incurred to finance, plan, construct, or reconstruct a public 15 or not-for-profit hospital in the county and for any land 16 17 acquisition, land improvement, design, or engineering costs related thereto, if the county commission has determined that 18 19 a currently existing public or not-for-profit hospital would, more likely than not, otherwise cease to operate. 20 21

(e) $\frac{d}{d}$ As used in For the purpose of this subsection, the term "qualified residents" means residents of the authorizing county who are:

- 1. Qualified as indigent persons as certified by the authorizing county;
- 2. Certified by the authorizing county as meeting the definition of the medically poor, defined as persons having insufficient income, resources, and assets to provide the needed medical care without using resources required to meet basic needs for shelter, food, clothing, and personal 31 expenses; not being eligible for any other state or federal

 program or having medical needs that are not covered by any such program; or having insufficient third-party insurance coverage. In all cases, the authorizing county shall serve as the payor of last resort; or

3. Participating in innovative, cost-effective programs approved by the authorizing county.

 $\underline{(f)}$ Moneys collected pursuant to this subsection remain the property of the state and shall be distributed by the Department of Revenue on a regular and periodic basis to the clerk of the circuit court as ex officio custodian of the funds of the authorizing county. The clerk of the circuit court shall:

- 1. Maintain the moneys in an indigent health care trust fund.
- 2. Invest any funds held on deposit in the trust fund pursuant to general law.
- 3. Disburse the funds, including any interest earned, to any provider of health care services, as provided in paragraphs (c) and (d), upon directive from the authorizing county.
- 4. Disburse the funds, including any interest accrued thereon, to service any bond indebtedness otherwise authorized in this section, upon a directive from the authorizing county, which directive may be irrevocably given at the time the bond indebtedness is incurred.
- $\underline{(g)(f)}$ Notwithstanding any other provision of this section, a county may not levy local option sales surtaxes authorized in this subsection and subsections (2) and (3) in excess of a combined rate of 1 percent or, if a publicly supported medical school is located in the county or the

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county has a population of fewer than 30,000 residents, in excess of a combined rate of 1.5 percent.

Section 2. Subsection (8) of section 336.025, Florida Statutes, is amended to read:

336.025 County transportation system; levy of local option fuel tax on motor fuel and diesel fuel .--

In addition to the uses specified in subsection (8) (7), the governing body of a county with a population of 50,000 or less on April 1, 1992, or a municipality within such county, may use the proceeds of the tax levied pursuant to paragraph (1)(a) in any fiscal year to fund infrastructure projects, if such projects are consistent with the local government's approved comprehensive plan or, if the approval or denial of the plan has not become final, consistent with the plan last submitted to the state land planning agency. In addition, no more than an amount equal to the proceeds from 4 cents per gallon of the tax imposed pursuant to paragraph (1)(a) may be used by such county for the express and limited purpose of paying for a court-ordered refund of special assessments. Except as provided in subsection (7), such funds shall not be used for the operational expenses of any infrastructure. Such funds may be used for infrastructure projects under this subsection only after the local government, prior to the fiscal year in which the funds are proposed to be used, or if pledged for bonded indebtedness, prior to the fiscal year in which the bonds will be issued, has held a duly noticed public hearing on the proposed use of the funds and has adopted a resolution certifying that the local government has met all of the transportation needs identified in its approved comprehensive plan or, if the 31 approval or denial of the plan has not become final,

consistent with the plan last submitted to the state land planning agency. The proceeds shall not be pledged for bonded indebtedness for a period exceeding 10 years, except that, for the express and limited purpose of using such proceeds in any fiscal year to pay a court-ordered refund of special assessments, the proceeds may be pledged for bonded indebtedness not exceeding 15 years. For the purposes of this subsection, "infrastructure" has the same meaning as provided in s. 212.055. Section 3. This act shall take effect October 1, 2002. STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR CS for Senate Bill 1374 CS/CS/SB 1374 allows the proceeds of the indigent care surtax to finance, plan, construct, or reconstruct a not-for-profit hospital in addition to a public hospital; and allows municipalities within small counties to use revenues from a local option fuel tax to fund infrastructure projects that are consistent with the comprehensive plan.