

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1457 Halifax Hospital Medical Center/Codification
SPONSOR(S): Pickens
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>Finance & Tax</u>	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

This bill codifies all prior special acts relating to the Halifax Hospital Medical Center. The District is currently authorized to levy up to 4 mills on each taxable dollar. This bill does not change that provision. The bill also makes other changes that do not appear to alter the effect of existing law pertaining to the District.

According to the Economic Impact Statement, there are no new, increased, or decreased revenues as a result of this bill.

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 Halifax Hospital Medical Center. The District is currently authorized to levy up to 4 mills on each taxable dollar. This bill does not change that provision. The bill also makes other changes that do not appear to alter the effect of existing law pertaining to the District.

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 section 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 section 189.429, Florida Statutes to provide that reenactment of existing law pursuant to section 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' determination or declaratory statement regarding the status of the district.

C. SECTION DIRECTORY:

Section 1: Constitutes the codification of all special acts relating to the Halifax Hospital Medical Center.

Section 2: Codifies, reenacts, amends, and repeals all prior acts as herein provided.

Section 3: The charter is recreated and reenacted to read:

Section 1: Maintains language naming the District and also maintains the boundaries of the District.

Section 2: Maintains language providing composition and terms of the governing board of the District.

Section 3: Maintains language providing the powers of the District.

Section 4: Maintains language relating to the quorum of the commissioners and the obligation to keep true and accurate minutes of all meetings.

Section 5: Maintains language stating that the District may establish medical facilities as necessary.

Section 6: Maintains that the District will have the power of eminent domain.

Section 7: In order to carry out the purposes of this act:

- (1) The District may borrow money and issue promissory notes.
- (2) The District may facilitate fair and consistent delivery of health care services to indigent persons.
- (3) The District may form both not-for-profit and profit corporations.
- (4) The not-for-profit and profit organizations may enter into projects with third-party individuals as long as:
 - (a) Any assets are not liened or put at risk.
 - (b) The District's credit is not pledged for the joint benefit of other cooperative projects.
 - (c) The District is not itself a shareholder, joint venturer, or partner.
- (5) The District may issue tax anticipation notes.
- (6) The District must maintain commercial insurance.
- (7) Each self-insurance plan is to be established or sponsored by the District.
- (8) Protecting the District through insurance is an essential governmental function.
- (9) Nothing herein is to be interpreted as prohibiting the District from purchasing other commercial insurance under its risk retention program.

Section 8:

- (1) Maintains language authorizing the District to issue bonds.
- (2) Pursuant to resolution of the Board, such bonds may:

- (a) Be issued in wither coupon or registered form or both.
 - (b) Have dates of maturity not exceeding 40 years.
 - (c) Bear interest at a rate to be determined.
 - (d) Provide for registration of coupon bonds.
 - (e) Provide for payment at maturity and redemption prior to maturity.
 - (f) Be payable at specified places.
- (3) Bonds shall be signed by officers of the Board as required.
 - (4) All bonds shall be exempt from taxation.
 - (5) All bonds pursuant to this act shall have negotiable instruments under the Uniform Commercial Code.
 - (6) The Board may sell the bonds at any time in the best interest of the District.
- (a) The bonds may be sold either at negotiated or public sale.
 - (b) If the bonds are to be sold at public sale:
 1. Notice of the sale will be at least once at least 10 days prior to the date of sale in one or more newspapers.
 2. All bids are to be opened to the public.
 3. No best bid from a reputable underwriter which conforms to the notice of sale may be rejected unless all bids are rejected.
- (7) No bonds will be issued by the District unless the face or reverse contains a certificate.
 - (8) The District will have the power to issue bond anticipation notes.
 - (9) Prior to the preparation of definitive bonds, the District may issue temporary bonds.
 - (10) Bonds issued under this act may be validated in the manner provided in chapter 75, F.S.

Section 9: Maintains language relating to taxation of the District. The District is authorized to levy up to 4 mills ad valorem tax on each taxable dollar.

Section 10: Maintains language authorizing certain Board members to sign checks and warrants of the District.

Section 11: Maintains language that the Board may levy a tax by resolution.

Section 12: Maintains language authorizing the Board to pay expenses of the District as necessary.

Section 13: Maintains language stating that the District is to create two separate revenue accounts for the ad valorem tax and the general revenue account.

Section 14: Maintains language permitting the District to provide health care services to persons medically indigent.

Section 15: This act is to be liberally construed to accomplish its purposes.

Section 16: Maintains language providing property of the District to be tax exempt.

Section 17: Maintains language providing that the books and records of the District are to be audited annually by an independent certified public accountant.

Section 18: The District is authorized to:

(1) Provide and pay all or any part of insurance expenses or premiums on its employees or self-insurance covering injuries received by employees.

(2) Provide to employees discounts on medical services.

(3) Provide and pay for employee benefits for group life insurance.

(4) Provide such other fringe benefits to District employees.

(5) Pay reasonable travel expenses, recruiting, and education related to the District's objectives.

Section 19: This section maintains language relating to the bidding process for services accomplishing the purposes of the District.

Section 20: Maintains language authorizing the District to designate an organization to support by providing assistance and funding in order to carry out the purposes of the District. This section also maintains language describing eligible support organizations.

Section 21: States that nothing in this act may limit the rights of the District under any other state law.

Section 4: Provides for severability.

Section 5: Repeals all prior acts relating to the District.

Section 6: This act shall take effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 13, 2002

WHERE? *The News-Journal*, Daytona Beach

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:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

The bill's sponsor will offer an amendment that removes the Governor's authority to direct the Auditor General to conduct an audit, and replaces that language with a requirement of an audit of the district in accordance with s. 218.39, F.S.