

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 457 w/CS Indigent Care & Trauma Center Surtax  
**SPONSOR(S):** Culp  
**TIED BILLS:** None. **IDEN./SIM. BILLS:** SB 2148

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Affairs (Sub)</u>	<u>19 Y, 0 N</u>	<u>Grayson</u>	<u>Highsmith-Smith</u>
2) <u>Local Government &amp; Veterans' Affairs</u>	<u>18 Y, 0 N w/CS</u>	<u>Grayson</u>	<u>Highsmith-Smith</u>
3) <u>Health Care</u>	<u>19 Y, 0 N</u>	<u>Chavis</u>	<u>Collins</u>
4) <u>Finance &amp; Tax</u>	<u></u>	<u>Overton</u>	<u>Diez-Arguelles</u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

HB 457 revives and reenacts s. 212.055(4), F.S, relating to the authority for non-consolidated counties with a total population of at least 800,000 to impose and collect an indigent care and trauma center sales surtax of up to one half percent. The authority to collect the surtax will otherwise sunset on October 1, 2005. The proceeds of the surtax are used to fund health care services for the medically poor.

The counties eligible to levy the surtax are: Broward; Hillsborough; Orange; Palm Beach; and Pinellas Counties. Presently Hillsborough is the only county levying the surtax. In fiscal year 02-03, Hillsborough County collected approximately \$72.6 Million. The fiscal year 03-04 revenue is estimated to be approximately \$82.8 Million.

The bill also imposes the requirement of a biennial audit of the county's indigent care trust fund. Beginning February 1, 2004, the audit shall be delivered to the local governing body and to the chair of the legislative delegation.

The bill takes effect upon becoming a law.

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

**STORAGE NAME:** h0457f.ft.doc  
**DATE:** April 7, 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:

HB 457 revives and reenacts s. 212.055(4), F.S., relating to the authority for non-consolidated counties with a total population of at least 800,000 to impose and collect an indigent care and trauma center sales surtax of up to one half percent. The authority will otherwise sunset on October 1, 2005.

##### Indigent Care Surtax

In 1991, the Legislature authorized certain counties to levy the Indigent Care Surtax at the rate of 0.5 percent. A county with a total population of 800,000 or more<sup>1</sup> is eligible to levy this surtax; however, counties consolidated with that of one or more municipalities (Duval), and counties authorized to levy the County Public Hospital Surtax (Miami-Dade), are ineligible. The proceeds must be used to fund health care services, including, but not limited to, primary care, preventive care, and hospital care for indigent and medically poor persons. Persons defined as medically poor lack sufficient income, resources, and assets to provide for needed medical care without using resources required to meet the basic needs for shelter, food, clothing, and personal expenses. Medically poor individuals lack sufficient third-party insurance coverage and are not eligible for any other state or federal third-party insurance coverage. These persons are not eligible for any other state or federal program or have medical needs that are not covered by the program.

This surtax may be imposed by either an extraordinary vote of the county's governing body or by voter approval in a county wide referendum. The counties eligible to levy the surtax are: Broward; Hillsborough; Orange; Palm Beach; and Pinellas Counties. Presently Hillsborough is the only county levying the surtax.

Sec. 212.055(4)(g), F.S., provides that the authority to levy this surtax expires October 1, 2005. Sections 11 of ch. 2000-312, L.O.F., amended the surtax to direct some of the proceeds of the surtax be used specifically for a hospital with a level one trauma center under specified conditions. Section 11 of of ch. 2000-312, L.O.F., repeals the entire Act on October 1, 2005.

The bill reenacts s. 212.055(4), F.S., and repeals the sunset provisions in both s. 212.055(4)(g), F.S. and in ch. 2000-312, L.O.F. Additionally, the bill provides that beginning February 1, 2004, a biannual audit shall be conducted of the county's indigent health trust fund. The audit shall be delivered to the local governing body and to the chair of the legislative delegation.

#### C. SECTION DIRECTORY:

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<sup>1</sup> Chapter 2000-312, L.O.F., created a new Voter-Approved Indigent Care Surtax in counties with less than 800,000 residents, to be imposed after referendum approval.

**Section 1.** Provides that notwithstanding the provisions of section 11 of chapter 2000-312, Laws of Florida, subsection (4) of section 212.055, Florida Statutes, shall not stand repealed on October 1, 2005; provides that beginning February 1, 2004, a biannual audit shall be conducted of the county's indigent health trust fund; provides that the audit shall be delivered to the local governing body and to the chair of the legislative delegation.

**Section 2.** Provides an effective date of upon becoming a law.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill continues the authorization for qualifying counties to impose and collect an indigent care and trauma center surtax. In fiscal year 2002, Hillsborough County, the only county currently imposing and collecting this surtax, collected approximately \$72.6 Million. The fiscal year 2003 revenue is estimated to be approximately \$82.8 Million.<sup>2</sup>

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill continues the authority to impose and collect an indigent care and trauma center surtax.

### D. FISCAL COMMENTS:

None.

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<sup>2</sup> Department of Revenue, State and Local Tax Receipts, March 12, 2003 [<http://sun6.dms.state.fl.us/dor/tables/f4fy2002.html>], and The Florida House of Representatives, Committee on Finance & Tax, March 14, 2003.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. This bill does not reduce the percentage of state tax shared with counties or municipalities.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

None.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

The Local Affairs Subcommittee, at its meeting on March 20, 2003, recommended one amendment favorably. The amendment adds a requirement for a biennial audit of the indigent care trust fund; and further provides that beginning February 1, 2004, the audit shall be delivered to the local governing body and to the chair of the legislative delegation.

The Committee on Local Government & Veterans' Affairs, at its meeting on March 27, 2003, adopted the amendment discussed above.