



## 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 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 that will otherwise sunset on October 1, 2005. The bill does not apply to Miami-Dade County as they are authorized to levy a County Public Hospital Surtax. Hillsborough County is currently the only county imposing this surtax.

#### Background

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. The use of tax proceeds is delineated in the act. Local option sales surtaxes are capped at a combined total of 1 percent or 1.5 percent if a publicly supported medical school is in the county. The surtax is one of several surtaxes subject to a combined rate limitation. A county eligible to levy this surtax shall not levy it along with the Local Government Infrastructure Surtax and/or Small County Surtax in excess of a combined rate of 1 percent.

#### *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 is eligible to levy this tax; 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 tax 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.

The authority to levy this tax expires October 1, 2005. This sunset was approved by a super majority vote of the Board of County Commissioners.

## Current Law

Section 212.055(4), F.S., authorizes the imposition and collection of an indigent care and trauma center surtax. Sections 11 and 13, ch. 2000-312, L.O.F., provide for an October 1, 2005, sunset of s. 212.055(4), F.S.

### C. SECTION DIRECTORY:

Section 1. Amends current law to revive and reenact s. 212.055(4), F.S., relating to the imposition and collection of an indigent care and trauma center surtax.

Section 2. Provides an effective date upon becoming law.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: Not applicable.
2. Expenditures: Not applicable.

### 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 dollars. The fiscal year 2003 revenue is estimated to be approximately \$82.8 Million.<sup>1</sup>
2. Expenditures: Not applicable.

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: Not applicable.

## **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:

---

<sup>1</sup> Department of Revenue, State and Local Tax Receipts, <http://sun6.dms.state.fl.us/dor/tables/f4fy2002.html> , 3/12/03; and consultation with Adam Shamy, House Committee on Finance & Tax, 3/14/03.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

There do not appear to be any technical drafting issues.

**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.