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CS/CS/HB 1445

2014 Legislature

1  
2 An act relating to the Citrus County Hospital Board,  
3 Citrus County; amending chapter 2011-256, Laws of  
4 Florida; authorizing the board to create an  
5 irrevocable community foundation or trust to manage  
6 the proceeds of a lease of the hospital and its  
7 facilities to a private for-profit entity; authorizing  
8 the board to create and staff an irrevocable community  
9 foundation or trust to manage the proceeds of certain  
10 leases; providing that proceeds of certain leases may  
11 only be used for medically related needs of citizens  
12 and residents of Citrus County; providing for certain  
13 members of the governing body of the irrevocable  
14 community trust or foundation; requiring the  
15 Supervisor of Elections to conduct elections to select  
16 such members upon the request of the board; requiring  
17 the irrevocable community trust or foundation to  
18 comply with certain rules and laws applicable to  
19 governmental entities and their elected and appointed  
20 officials; providing that an irrevocable community  
21 trust or foundation created by the board is subject to  
22 the audit authority of the clerk of the court;  
23 authorizing the board to enter into leases or  
24 contracts with any Florida corporation, rather than  
25 only a Florida nonprofit corporation, for the purpose  
26 of operating or managing the hospital and its

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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27 facilities; providing applicability; providing an  
 28 effective date.

29

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

31

32 Section 1. Section 3 of chapter 2011-256, Laws of Florida,  
 33 is amended to read:

34 Section 1. This act may be cited as the "Citrus County  
 35 Hospital and Medical Nursing and Convalescent Home Act."

36 Section 2. As used in this act, the following words and  
 37 terms have the following meanings:

38 (1) "Citrus County Hospital Board," "hospital board," and  
 39 "board" means the Citrus County Hospital Board.

40 (2) "County" means Citrus County.

41 (3) "County hospital and medical nursing and convalescent  
 42 homes" includes hospitals, medical care facilities, clinics, and  
 43 other allied medical care units.

44 (4) "Indigent care" means medically necessary health care  
 45 provided to Citrus County residents who are determined to be  
 46 qualified pursuant to the provisions of the Florida Health Care  
 47 Responsibility Act, section 154.304(9), Florida Statutes, and  
 48 the Florida Health Care Indigency Eligibility Certification  
 49 Standards, Florida Administrative Code, rule 59H-1.0035(30).

50 (5) "Operate" includes build, construct, maintain, repair,  
 51 alter, expand, equip, lease pursuant to and consistent with the  
 52 provisions of this act, finance, and operate.

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53           (6) "Property" means real and personal property of every  
54 nature whatsoever.

55           (7) "State" means the State of Florida.

56           Section 3. (1) There is hereby created the Citrus County  
57 Hospital Board, an independent special district, and by that  
58 name the board may sue and be sued, plead and be impleaded,  
59 contract and be contracted with, acquire and dispose of property  
60 or any interest therein, and have an official seal. The board is  
61 created as a public nonprofit corporation without stock and is  
62 composed of and governed by the five members herein provided  
63 for, to be known as trustees. The hospital board is hereby  
64 constituted and declared to be an agency of the county and  
65 incorporated for the purpose of operating hospitals, medical  
66 nursing homes, and convalescent homes in the county. The  
67 hospital board shall consist of five trustees appointed by the  
68 Governor, and, upon this act becoming a law, the present members  
69 will automatically become trustees and shall constitute the  
70 board. Their respective terms of office shall be the term each  
71 member is presently serving. All subsequent appointments, upon  
72 the expiration of the present terms, shall be for terms of 4  
73 years each. Upon the expiration of the term of each trustee, the  
74 successor shall be appointed by the Governor. Likewise, any  
75 vacancy occurring shall be filled by appointment by the Governor  
76 for the unexpired term. Each appointment by the Governor is  
77 subject to approval and confirmation by the Senate.

78           (2) The trustees of the board shall elect from among its

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79 members a chair, a vice chair, and a secretary-treasurer, who  
80 shall each hold office for a period of 1 year. Each trustee  
81 shall execute a bond in the penal sum of \$5,000 with a good and  
82 sufficient surety of a surety company authorized under the laws  
83 of the state to become surety, payable to the Citrus County  
84 Hospital Board, conditioned upon the faithful performance of the  
85 duties of the trustee, which bonds shall be approved by the  
86 remaining trustees of the board and shall be filed with the  
87 Board of County Commissioners of Citrus County. The premiums on  
88 such bonds shall be paid by the hospital board.

89 (3) The hospital board shall comply with the applicable  
90 requirements of chapter 280, Florida Statutes, and part IV of  
91 chapter 218, Florida Statutes.

92 (4) Any and all funds so deposited shall be withdrawn by a  
93 check or warrant signed by two trustees of the hospital board,  
94 of which one shall be the chair, vice chair, or secretary-  
95 treasurer. No check or warrant exceeding the sum of \$25,000  
96 shall be delivered to the payee without approval thereof shown  
97 in the minutes of the hospital board meeting.

98 Section 4. The trustees of the board shall receive no  
99 compensation for their services. Three trustees shall constitute  
100 a quorum of the hospital board for the purpose of conducting its  
101 business and exercising its powers and for all other purposes.  
102 Action may be taken by the board only upon a vote in the  
103 affirmative of three trustees thereof.

104 Section 5. The Citrus County Hospital Board as hereby

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105 | created shall be for the purpose of operating, in Citrus County,  
 106 | public hospitals, medical nursing homes, and convalescent homes,  
 107 | primarily and chiefly for the benefit of the citizens and  
 108 | residents of Citrus County. Authority is hereby given to the  
 109 | board to build, erect, expand, equip, maintain, operate, alter,  
 110 | change, lease pursuant to and consistent with the provisions of  
 111 | this act, and repair public hospitals, medical nursing homes,  
 112 | and convalescent homes in Citrus County. The corporation is  
 113 | authorized, when rooms and services are available, without  
 114 | detriment or deprivation to the citizens and residents of Citrus  
 115 | County, to extend the hospitalization and medical nursing home  
 116 | and convalescent home services provided by such hospitals,  
 117 | medical nursing homes, and convalescent homes to patients from  
 118 | adjoining and other counties of Florida and from other states,  
 119 | upon the payment of the cost of such hospitalization, medical  
 120 | nursing home services, and convalescent home services as may be  
 121 | determined by the trustees of the hospital board. The board  
 122 | shall have the power and authority to operate an ambulance  
 123 | system and ambulance services and to charge all patients for all  
 124 | services rendered in any facility owned or operated by the  
 125 | hospital board, including the ambulance facility. The board may  
 126 | charge a patient interest on the patient's account; sell,  
 127 | discount, or assign such account to a bank, finance company,  
 128 | collection agency, or other type of collection facility; accept  
 129 | promissory notes or other types of debt obligations from a  
 130 | patient; assign or discount such accounts receivable, notes, or

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131 other obligations; require a patient to guarantee the payment of  
132 an existing account or note; require a guarantee of payment  
133 before admitting a patient; and receive and assign any  
134 assignment of all types of insurance proceeds. In addition to  
135 all other powers, the board shall have the power and authority  
136 to:

137 (1) Provide for the payment of indigent care services by  
138 private health care providers in the county, or to partner with  
139 other entities such as the Department of Health, in furtherance  
140 of the hospital board's public purpose and the necessity for the  
141 preservation of the public health and welfare of the residents  
142 of the county by the hospital board.

143 (2) Develop and implement a county health plan.

144 (3) In its discretion, create an irrevocable community  
145 trust or foundation to manage the proceeds of a lease of the  
146 hospital and its facilities to a private for-profit entity.

147 (a) The board may create and staff an irrevocable  
148 community trust or foundation to manage the proceeds of a lease  
149 of the hospital and its facilities to a private for-profit  
150 entity if such lease results in net proceeds that exceed  
151 existing debt associated with the hospital and its facilities  
152 for loans, notes, revenue bonds, or other bond obligations and a  
153 reasonable estimate of the board's administrative costs and  
154 costs to facilitate, manage, or enforce the lease and its  
155 covenants for the term of the lease. Such proceeds and any  
156 interest derived therefrom may be appropriated by the

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157 irrevocable community trust or foundation only for the medically  
 158 related needs of citizens and residents of Citrus County.

159 (b) The governing body of the community trust or  
 160 foundation must include at least two members who are citizens of  
 161 Citrus County who shall be elected on a nonpartisan, countywide  
 162 basis to serve a single 4-year term, except, for purposes of  
 163 establishing staggered terms, the term of one initial citizen  
 164 member shall be for 2 years. A citizen member may not serve more  
 165 than one term on the governing body of the irrevocable community  
 166 trust or foundation. Any vacancy occurring during a term of  
 167 office for a citizen member shall be filled by appointment of  
 168 the board for the remainder of the unexpired portion of the  
 169 term. Upon the request of the board, the Supervisor of Elections  
 170 for Citrus County shall conduct elections to fill the seats of  
 171 the citizen members of the governing body of the irrevocable  
 172 community trust or foundation.

173 (c) The irrevocable community trust or foundation shall be  
 174 considered a quasi-governmental entity and, at a minimum, must  
 175 comply with all disclosure, accountability, ethics, and  
 176 government-in-the-sunshine requirements which apply both to  
 177 governmental entities and to their elected and appointed  
 178 officials.

179 (d) The irrevocable community trust or foundation is  
 180 subject to the audit authority of the Clerk of the Court for  
 181 Citrus County.

182 ~~Section 6. The board of county commissioners shall levy or~~

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183 ~~cause to be levied each year beginning July 1, 1965, the millage~~  
 184 ~~certified to the board of county commissioners by the trustees~~  
 185 ~~of the board upon all taxable real and personal property in~~  
 186 ~~Citrus County, not including, however, homestead property that~~  
 187 ~~is exempt from general taxation by the Constitution of the State~~  
 188 ~~of Florida, for the purpose of erecting, building, equipping,~~  
 189 ~~maintaining, changing, altering, repairing, leasing, and~~  
 190 ~~operating the public hospital provided for in this act. Such tax~~  
 191 ~~shall be known as the hospital tax, and the property appraiser~~  
 192 ~~shall make such assessments and the tax collector shall collect~~  
 193 ~~such assessments when made. The money collected shall be paid~~  
 194 ~~monthly to the board. However, the annual tax levied under this~~  
 195 ~~section may not exceed 3 mills.~~

196 Section 6.7. The hospital board is hereby authorized and  
 197 empowered to own and acquire property by purchase, lease, gift,  
 198 grant, or transfer from the county, the state, or the Federal  
 199 Government, or any subdivision or agency thereof, or from any  
 200 municipality, person, partnership, or corporation and to  
 201 acquire, construct, maintain, operate, expand, alter, repair,  
 202 change, lease, finance, and equip hospitals, medical nursing  
 203 homes, convalescent homes, medical care facilities, and clinics  
 204 in the county.

205 Section 7.8. The hospital board is authorized and  
 206 empowered to enter into contracts with individuals,  
 207 partnerships, corporations, municipalities, the county, the  
 208 state or any subdivision or agency thereof, or the United States



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209 of America or any subdivision or agency thereof to carry out the  
210 purposes of this act.

211 Section 8.9. The hospital board is empowered to and shall  
212 adopt all necessary rules, regulations, and bylaws for the  
213 operation of hospitals, medical nursing homes, and convalescent  
214 homes; provide for the admission thereto and treatment of such  
215 charity patients who are citizens of the state and residents of  
216 the county for the preceding 2 years; set the fees and charges  
217 to be made for the admission and treatment therein of all  
218 patients; and establish the qualifications for members of the  
219 medical profession to be entitled to practice therein.

220 Section 9.10. The hospital board shall have the power to  
221 purchase any and all equipment that may be needed for the  
222 operation of hospitals, medical nursing homes, and convalescent  
223 homes and shall have the power to appoint and hire such agent or  
224 agents, technical experts, attorneys, and all other employees as  
225 are necessary for carrying out the purposes of this act,  
226 regardless of any lease to a ~~not-for-profit~~ corporation,  
227 including the hiring and maintenance of staff personnel as it  
228 may deem appropriate to assist the board in the discharge of its  
229 operational, financial, and statutory responsibilities, and in  
230 carrying out its fiduciary duties to the taxpayers of Citrus  
231 County, and to prescribe their salaries and duties. The board  
232 shall have the power to discharge all employees or agents when  
233 deemed necessary by the board for the carrying out of the  
234 purposes of this act.

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235           Section ~~10.11~~. At the end of each fiscal year, the Citrus  
 236 County Hospital Board shall within 30 days file with the Clerk  
 237 of the Circuit Court of Citrus County a full, complete, and  
 238 detailed accounting of the preceding year and at the same time  
 239 shall file a certified copy of such financial report with the  
 240 Board of County Commissioners of Citrus County, which report  
 241 shall be recorded in the minutes of the board of county  
 242 commissioners. The board of county commissioners, at its  
 243 discretion and at the expense of the county, may publish and  
 244 report an accounting in a newspaper of general circulation in  
 245 Citrus County.

246           Section ~~11.12~~. In addition to all other implied and  
 247 express powers contained in this act, the board shall have the  
 248 express authority to negotiate loans to borrow money from any  
 249 state or federal agency for the purpose or purposes of  
 250 constructing, maintaining, repairing, altering, expanding,  
 251 equipping, leasing, and operating county hospitals, medical  
 252 nursing homes, convalescent homes, medical care facilities,  
 253 clinics, and all other types of allied medical care units.

254           Section ~~12.13~~. (1) In addition to all other implied and  
 255 express powers contained in this act, the board shall have the  
 256 express authority to borrow money, with or without issuing notes  
 257 therefor, for the purpose or purposes of constructing,  
 258 maintaining, repairing, altering, expanding, equipping, leasing,  
 259 and operating county hospitals, medical nursing homes,  
 260 convalescent homes, medical care facilities, clinics, and all

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261 other types of allied medical care units. The board's authority  
262 to borrow money, with or without issuing notes, shall be subject  
263 to the conditions of this act applying to the board's right to  
264 issue revenue bonds.

265 (2) The board shall have express authority to issue bonds,  
266 subject to approval at a referendum of the voters of the county,  
267 and to issue revenue bonds, without a referendum of the voters  
268 of the county, the proceeds of which shall be used for erecting,  
269 equipping, building, expanding, altering, changing, maintaining,  
270 operating, leasing, and repairing such hospitals, medical  
271 nursing homes, and convalescent homes. Such bonds, federal or  
272 state hospital loans, notes, or revenue bonds shall mature  
273 within 30 years after the year in which they are issued or made  
274 and shall be payable in such years and amounts as shall be  
275 approved by the board.

276 (3) The board shall determine the form of the loans,  
277 notes, bonds, and revenue bonds, including any interest coupons  
278 to be attached thereto, and the manner of executing them, and  
279 shall fix the denomination or denominations thereof and the  
280 place or places of payment of principal and interest, which may  
281 be at any bank or trust company within or without the state. In  
282 case a trustee whose signature or a facsimile of whose signature  
283 appears on any loan, note, bond, or revenue certificate or  
284 coupon ceases to be such trustee before the delivery thereof,  
285 such signature or facsimile shall nevertheless be valid and  
286 sufficient for all purposes the same as if the trustee had

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287 remained in office until such delivery. All loan agreements,  
288 notes, bonds, and revenue bonds issued hereunder shall have and  
289 are hereby declared to have all the qualities and incidents of  
290 negotiable instruments under the negotiable instruments law of  
291 the state.

292 (4) Whenever the board passes a resolution approving the  
293 issuance of such bonds, the board shall call for an election  
294 and, subject to such election, permit the repayment of the bonds  
295 out of an annual levy not to exceed 1.5 mills per year. Such  
296 millage is included in the maximum millage of 3 mills per year.  
297 Subject to such limitations, such bonds shall be payable from  
298 the full faith and credit of the board.

299 (5) The loans, notes, and revenue bonds, together with the  
300 interest, shall be payable from gross or net receipts of the  
301 hospital board or any portion thereof.

302 (6) Such loans, notes, bonds, or revenue bonds shall not  
303 bear interest in excess of the maximum rate permitted by the  
304 laws of the state.

305 (7) The board may sell bonds, loans, notes, or revenue  
306 bonds in such manner, either at public or private sale, and for  
307 such price as it may determine to be for the best interest of  
308 the hospital board.

309 Section 13.14. The total amount of outstanding bonds of  
310 the hospital payable from ad valorem taxation at any one time  
311 shall not exceed an amount equal to 6 times the annual hospital  
312 tax, assuming such tax is based upon the yearly millage of 3

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313 mills.

314 Section 14.15. (1) The Citrus County Hospital Board shall  
 315 have the authority to enter into leases or contracts with a ~~not-~~  
 316 ~~for-profit~~ Florida corporation for the purpose of operating and  
 317 managing the hospital and any or all of its facilities of any  
 318 kind and nature.

319 (2) The Citrus County Hospital Board shall have the power  
 320 and authority to:

321 (a) Provide health care services to residents of the  
 322 county through the use of health care facilities not owned and  
 323 operated by the hospital board. The provision of such care is  
 324 hereby found and declared to be a public purpose and necessary  
 325 for the preservation of the public health and welfare of the  
 326 residents of the county.

327 (b) Maintain an office.

328 (c) Provide for reimbursement to hospitals, physicians, or  
 329 other health care providers or facilities, whether public or  
 330 private, and pay private physicians for indigent care.

331 (3) The hospital board is hereby restricted from  
 332 reimbursing any health care providers or facilities, including  
 333 hospitals and physicians, for their bad debts arising from those  
 334 patients who are not eligible for reimbursement under hospital  
 335 board guidelines. The hospital board, however, shall continue to  
 336 reimburse such health care providers for the medical care of  
 337 medically needy patients, to the extent of the hospital board's  
 338 financial resources, taking into account funds available from

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339 other sources, including other governmental funding sources.

340 Section ~~15.16~~. To ensure public oversight, accountability,  
 341 and public benefit, in addition to the requirements for any such  
 342 lease set forth in section 155.40, Florida Statutes:

343 (1) The not-for-profit corporation shall separately  
 344 account for the expenditure of all ad valorem tax moneys  
 345 provided to it by the Citrus County Hospital Board, including  
 346 maintaining them in a separate accounting fund. The expenditure  
 347 for all such public tax funds shall be approved in a public  
 348 meeting and separately accounted for annually by the not-for-  
 349 profit corporation in a report provided to the Citrus County  
 350 Hospital Board.

351 (2) The articles of incorporation, all amendments or  
 352 restatements of the articles of incorporation, all corporate  
 353 bylaws, all amendments or restatements of the corporate bylaws,  
 354 and all other governing documents of the not-for-profit  
 355 corporation shall be subject to the approval of the hospital  
 356 board, and any such documents that have not heretofore been  
 357 approved by the hospital board shall be submitted forthwith to  
 358 the hospital board for approval.

359 (3) The hospital board shall be the sole member of the  
 360 not-for-profit corporation.

361 (4) The hospital board shall independently approve any  
 362 plan of merger or dissolution of the not-for-profit corporation  
 363 pursuant to sections 617.1103 and 617.1402, Florida Statutes,  
 364 and may reject any such plan in its sole discretion.

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365 (5) The members of the hospital board shall be voting  
366 directors of the not-for-profit board of directors who  
367 constitute a majority of the voting directors of the not-for-  
368 profit corporation; and, to the extent that any governance  
369 documents of the not-for-profit corporation do not so presently  
370 provide, the not-for-profit corporation shall forthwith take all  
371 steps necessary to bring them into conformity with this majority  
372 membership requirement.

373 (6) All members of the not-for-profit board of directors  
374 shall be subject to approval by the hospital board, and any  
375 board members presently serving who have not heretofore been  
376 approved by the hospital board shall be submitted forthwith to  
377 the hospital board for approval.

378 (7) The chief executive officer of the not-for-profit  
379 corporation and his or her term of office and any extensions  
380 thereof shall be approved by the hospital board, and the  
381 hospital board may terminate the term of the chief executive  
382 officer of the not-for-profit corporation with or without cause  
383 in its sole discretion, subject to the terms of any and all  
384 then-existing contracts.

385 (8) The hospital board shall approve all borrowing of  
386 money by the not-for-profit corporation in any form and for any  
387 reason in an amount exceeding \$100,000, any additional loan  
388 indebtedness or leases in excess of \$1.25 million per instrument  
389 or contract, and all policies of the not-for-profit corporation  
390 that govern travel reimbursements and contract bid procedures.

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391 (9) No annual operating and capital budget of the not-for-  
392 profit corporation shall become effective until approved by the  
393 hospital board.

394 (10) Any capital project of the not-for-profit corporation  
395 having a value in excess of \$250,000 per project, and any  
396 nonbudgeted operative expenditure in excess of \$125,000 in the  
397 per annum aggregate, shall be approved by the hospital board.

398 (11) At the discretion of the hospital board, each and  
399 every year the not-for-profit corporation shall complete an  
400 independent audit of the fiscal management of the hospital by an  
401 auditor chosen by the hospital board, with the audit to be paid  
402 for by the not-for-profit corporation.

403 (12) All records of the not-for-profit corporation shall  
404 be public records unless exempt by law.

405 (13) Subject to the annual approved budget, the hospital  
406 board shall reimburse the not-for-profit corporation for  
407 indigent care pursuant to the Florida Health Care Responsibility  
408 Act and the Florida Indigent Certification Standards and shall  
409 take into account funds available from other sources, including  
410 other governmental funding sources.

411 (14) The provisions in this act and the hospital board's  
412 lease with the not-for-profit corporation shall be construed and  
413 interpreted as furthering the public health and welfare and the  
414 open government requirements of s. 24, Art. I of the State  
415 Constitution and sections 119.01 and 286.011, Florida Statutes.

416 (15) Any dispute between the hospital board and the not-



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417 for-profit corporation shall be subject to any court action  
418 pursuant to sections 164.101-164.1065, Florida Statutes.

419 Section 2. The amendments made by this act to section 5 of  
420 the charter of the Citrus County Hospital Board apply to leases  
421 entered into after January 1, 2014, with a for-profit Florida  
422 corporation.

423 Section 3. This act shall take effect October 15, 2014.