

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 1239	FINAL HOUSE FLOOR ACTION:		
SUBJECT/SHORT TITLE	South Lake County Hospital District, Lake County	113	Y's 0	N's
SPONSOR(S):	Local, Federal & Veterans Affairs Subcommittee; Metz	GOVERNOR'S ACTION:	Approved	
COMPANION BILLS:	N/A			

SUMMARY ANALYSIS

CS/HB 1239 passed the House on February 21, 2018, and subsequently passed the Senate on March 8, 2018.

The South Lake County Hospital District (District) is an independent special district created in 1969 to provide health care services in Lake County.

The bill repeals the act creating the District and dissolves the District as of October 1, 2019. Beginning on the effective date of the act, the bill prohibits the District from incurring further obligations and requires the District to wind down its affairs by September 30, 2019, including adopting a dissolution plan to liquidate all of its assets and satisfy all of its obligations and indebtedness.

The bill authorizes the District to continue levying taxes, with proceeds collected after September 30, 2019, paid to Lake County to satisfy liabilities of the District. Any assets and liabilities of the District remaining at the time of dissolution are transferred to the Board of County Commissioners for Lake County, including any obligations of the District under any bond issues or other indebtedness.

The bill was approved by the Governor on March 23, 2018, ch. 2018-182, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Special Districts

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary. Special districts are created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.¹ A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district's charter. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.²

An "independent special district" is characterized by having a governing board comprised of members which are not identical in membership to, nor all appointed by, nor any removable at will by, the governing body of a single county or municipality, and the district budget cannot be affirmed or vetoed by the governing body of a single county or municipality.³ Additionally, a district that includes more than one county is an independent special district unless the district lies wholly within the boundaries of a single municipality.

South Lake County Hospital District

The South Lake County Hospital District (District) is an independent special district that was created in 1969.⁴ The District's charter was codified in 2001.⁵ The District is authorized to operate hospitals and other health care facilities within the District and to organize a staff of physicians and dentists to provide for the welfare and health of patients.⁶ The District may levy one mill of ad valorem taxes to cover expenses.⁷

The District is governed by an 11-member board, selected by the Governor and subject to Senate confirmation, from residents of the District.⁸ Members of the board are unpaid, but may receive reimbursement for necessary expenses.⁹

The District may not transfer control of a hospital or other health care facility without a referendum.¹⁰ This provision does not apply to health care facilities and business ventures in which the District or South Lake Memorial Hospital owns at least 50 percent of enterprise or has the right to appoint at least 50 percent of the board of directors.

¹ Section 189.012(6), F.S.

² 2017 – 2018 *Local Gov't Formation Manual*, p. 67, available at

<http://www.myfloridahouse.gov/Sections/Committees/committeesdetail.aspx?CommitteeId=2911> (last viewed Jan. 22, 2018).

³ Section 189.012(3), F.S.

⁴ Ch. 69-1201, Laws of Fla.

⁵ Ch. 2001-290, Laws of Fla.

⁶ Ch. 2001-290, s. 3(4)(1)(e)-(f), Laws of Fla.

⁷ Ch. 2001-290, s. 3(8), Laws of Fla.

⁸ Ch. 2001-290, s. 3(2)(2)(a), Laws of Fla.

⁹ Ch. 2001-290, s. 3(5)(1), Laws of Fla.

¹⁰ Ch. 2001-290, s. 3(11), Laws of Fla.

Effect of the Bill

The bill repeals the special act containing the charter of the District and dissolves the District. The bill prohibits the District from incurring additional obligations or indebtedness, other than those incurred in the ordinary course of business, and requires the District to avoid the wasting its assets. The District must adopt a dissolution plan to liquidate its assets, satisfy all obligations and indebtedness, and wind down all other affairs by September 30, 2019.

The bill authorizes the District to continue levying taxes until September 30, 2019, with proceeds from those taxes collected after September 30, 2019, paid to Lake County to satisfy liabilities of the District.

The bill provides that the responsibilities of the District as an issuing authority under any and all outstanding bond issues are transferred from the District to Lake County effective October 1, 2019, but that the transferred responsibilities are not a debt of the county. The bill also transfers all remaining assets and liabilities of the District to Lake County effective October 1, 2019. The bill requires the proceeds of the assets to be used to satisfy liabilities of the District, with remaining assets to be used by Lake County for the benefit of residents of the District.

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:

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 1, 2018

WHERE? The *Daily Commercial*, a daily newspaper of general circulation published in Lake County, Florida.

E. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?:

