

STORAGE NAME: h1605a.ca

DATE: April 21, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
Community Affairs
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1605

RELATING TO: Baker County Hospital District

SPONSOR(S): Representative Crady

COMPANION BILL(S): SB 2668 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS YEAS 8 NAYS 0
 - (2) FINANCE & TAXATION
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill codifies all prior special acts relating to the Baker County Hospital District and Baker County Hospital Authority into one special act.

The bill declares the District/Authority to be an independent special district.

The bill removes obsolete language and inserts language which conforms the charter to the Authority's current operation/functions.

The bill authorizes the Authority to enter into contracts regarding the lease of its facilities for the operation of the hospital.

The bill does not increase the Authority's current authority to levy an ad valorem tax of 5 mills.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Baker County Hospital District was created by the Legislature in 1949 to provide hospital services within Baker County. The Baker County Hospital Authority was also created in 1949 to provide hospital services within the Baker County Hospital District. The Authority appears to be the governing body of the District, even though it appears to have been created as two different distinct entities. The Authority currently owns and operates one hospital in Baker County.

Recently, the Authority has been restructuring its operation and services to allow it to be more competitive in today's medical arena. When the Authority's first hospital was developed, it provided all services that a full-fledged hospital provides. Although this worked for some time, it eventually led to the Authority hospital's demise. The Authority could not compete with neighboring hospitals located in Jacksonville. At one point, the State shut down the hospital due to the Authority's financial difficulties. After some restructuring, the hospital was reopened. The Hospital's focus is now on out-patient services, rather than providing full-fledged hospital services. Although the hospital is equipped with facilities for surgeries, the hospital does not really perform any major surgeries. Also, the hospital tried to operate a maternity ward, but it was unsuccessful due to the majority of eligible patients going to neighboring Jacksonville hospitals.

An additional step which the Authority took to increase its financial viability was to enter into a contract regarding the lease of its facilities for the operation of the hospital. This step substantially decreased the Authority's operation and employee costs.

The Authority is currently building a second hospital next to its current facility. Once the second facility is completed, the original hospital will be torn down. The second facility is being constructed and will provide better out-patient services to the residents of Baker County. The second facility conforms better to the Authority's new medical focus of providing out-patient services and geriatric and skilled nursing services.

Codification

The 1997 Legislature amended chapter 189, Florida Statutes, to provide for codification of all special districts' charters either by December 1, 2001, or when any act relating to such district is introduced to the Legislature, whichever occurs first. In addition, section 189.429, Florida Statutes, requires that no changes be made to a district's charter as it exists on October 1, 1997, in the codifying legislation and that all prior Legislative acts relating to the district be repealed.

The 1998 Legislature further amended section 189.429, Florida Statutes, by (i) extending the deadline to codify to December 1, 2004, (ii) allowing 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, (iii) removing the prohibition of substantive amendments in a district's codification bill, and (iv) removing the requirement that a codified charter must be submitted prior to the introduction of any act relating to the charter or prior to the scheduled deadline.

SCHEDULE OF SUBMITTALS OF SPECIAL DISTRICTS' CHARTERS

Special Districts with 2 special acts (45 districts)	1999 Legislative Session
Special Districts with 3 or 4 special acts (63 districts)	2000 Legislative Session
Special Districts with 5, 6 or 7 special acts (53 districts)	2001 Legislative Session

Special Districts with 8, 9, 10, 11 or 12 special acts (56 districts)	2002 Legislative Session
Special Districts with 13 or more (54 districts)	2003 Legislative Session
Special Fire Control Districts (47 districts)	2004 Legislative Session

Also, section 189.404(5), Florida Statutes, 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 with the department's determination or declaratory statement regarding the status of the district.

B. EFFECT OF PROPOSED CHANGES:

This bill codifies all prior special acts relating to the Baker County Hospital District and Baker County Hospital Authority into one special act.

The bill declares the District/Authority to be an independent special district.

The bill removes obsolete language and inserts language which conforms the charter to the Authority's current operation/functions. The bill authorizes the Authority to enter into contracts regarding the lease of its facilities for the operation of the hospital. The bill also inserts applicable general law provisions relating to the powers of the Authority.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 28887, Laws of Florida, 1953; Chapter 30563, Laws of Florida, 1955; Chapter 59-1062, Laws of Florida; Chapter 63-1108, Laws of Florida; Chapter 92-265, Laws of Florida

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The bill allows the Authority to enter into contracts regarding the maintenance of the Authority's hospital.

(3) any entitlement to a government service or benefit?

No. The bill will assist the Authority in its ability to provide medical care to residents of Baker County by allowing the Authority a reasonable opportunity to develop a hospital and compete with other medical facilities.

b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

E. SECTION-BY-SECTION ANALYSIS:

Section 1: Codifies, reenacts, amends, and repeals special acts relating to the Baker County Hospital District and Baker County Hospital Authority.

Section 2: Recreates and reenacts the Baker County Hospital District (District) and the Baker County Hospital Authority (Authority) to read:

Section 1: Provides that the District's boundaries are the boundaries of Baker County; Provides that the purpose of the District is for building and operating a hospital, skilled nursing facility, and outpatient medical care facility within Baker county; Provides that the use of District facilities are for county residents, and if feasible, to other residents.

Section 2: Creates the Baker County Hospital Authority as a public, nonprofit authority; Provides that the purpose of the Authority is for building, managing, and operating within the

District, a hospital, geriatric and skilled nursing facility, and outpatient medical care facility; Authorizes the Authority to extend use of its facilities to non-district residents, upon the payment of such services; Provides for preferences to be given for district residents; Declares the purposes of the facility are public purposes.

Section 3: Provides that the Authority is governed by five directors who serve terms of four years; Provides that the Governor appoints directors; Provides that an appointee for a vacancy serves only the remaining unexpired term; Provides that an appointee has thirty days to accept appointment or Governor appoints a new director; Provides that directors serve until replacements are appointed; Requires directors to be citizens and residents of Baker County with good characters and reputations; Prohibits directors from being engaged in the practice of medicine, involved in any drug business, or from holding specific offices.

Section 4: Provides that the Authority has perpetual existence; Provides that the Authority is entirely a nonprofit entity whose earnings are solely used for this act's purposes; Grants the Authority the power to contract and be contracted with; Authorizes the Authority to sue or be sued; Excludes the Authority from any liability arising from negligence of any of its officers, agents or employees; Grants complete charge of all business and property to the members of the Authority; Grants Authority members the same general powers given to directors of a private corporation; Provides that a majority of members constitute a quorum; Grants members the authority to adopt and promulgate bylaws, rules, and regulations for the Authority's management; Authorizes the hiring, firing, and paying of employees; Grants the authority to receive and disburse monies received; Authorizes the Authority to accept gifts, donations, and grants; Provides that title to all such donated real and personal property vests in the Authority; Grants the power to sell or acquire property, included donated property; Allows for the employment and discharge of employees which may be needed for Authority purposes; Grants the power to establish charges for services provided to patients; Grants the power to sue and collect outstanding charges; Declares the Authority to have the powers of a public body corporate; Authorizes the Authority to delegate its powers and rights to a lessee necessary for the operation of the leased facilities; Allows for the Authority to perform any and all acts necessary to carry out the purposes of the Authority; Allows the Authority to form and contribute to alliances and organizations involved in delivering and marketing health care services; Allows the Authority to engage in any lawful activity in which a not-for-profit corporation providing similar services may engage in under Florida laws; Provides that the Authority has perpetual existence as a body politic and corporate; Allows the Authority to adopt and alter a seal or service mark; Grants the power to contract and enter into agreements with public and private entities; Grants the power to acquire, lease, and convey real and personal property; Grants the authority to borrow money, incur indebtedness, and issue notes; Grants the authority to borrow money and issue anticipation notes payable from anticipated proceeds of bonds and other specific revenues; Grants the power to establish and authorize a medical staff to direct and control a medical staff and health practitioners; Provides for the selection and regulation of medical staff members and practitioners; Grants the power to enter into agreements with other public or private hospitals or entities to provide cooperative services; Authorizes the Authority to engage in and pay for expenses related to an integrated system for the delivery of emotional, physical, or mental health care services, including HMOs, hospice facilities, captive insurance companies, and assisted living facilities; Grants the power to provide an appropriate location for the delivery of quality health care and related services for the medically indigent; Provides for policies and guidelines regarding indigent health care treatment; Grants all powers to the Authority which other hospitals similarly situated have; Grants all implied powers necessary to carry out this act.

Section 5: Requires members of the Authority to give a bond in a sum sufficient to indemnify the Authority against all losses; Provides that such bonds are payable to the Authority; Provides that bond premiums are paid as an authority expense; Requires that Authority funds may only be paid by drafts, checks, or warrants; Requires that such instruments are only to be signed by authorized persons; Authorizes the use of facsimile signatures; Requires that Authority funds be deposited into qualified depositories; Authorizes the Authority to invest surplus funds as may be permitted by general law.

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Section 6: Provides that Authority members are not compensated; Provides for the reimbursement of reasonable and necessary expenses incurred in performing duties.

Section 7: Declares the District an independent district; Grants the power to levy an ad valorem taxation, not exceeding 5 mills, on all real and personal taxable property in the District, a "Hospital tax"; Provides that the Baker County property appraiser levies and collects the assessment; Requires the property appraiser to turn over collected money each month; Requires the Authority to prepare a budget and determine amount of levy by such date in order to allow the property appraiser to perform his statutory duties; Requires all Baker County officials to cooperate in making data available to the Authority in the preparation of its budget.

Section 8: Appropriates to the Authority the sum of the first \$25,000 of any pari-mutuel revenues in excess of \$33,000 received by Baker County, pursuant to chapter 550, Florida Statutes.

Section 9: Provides that the members of the Authority may elect a chair; Provides that the chair may exercise any powers given to him by an adopted resolution; Provides that other officers may be appointed if necessary.

Section 10: Provides that all Authority property is exempt from all taxation.

Section 11: Provides for liberal construction of this act; Provides a severability clause.

Section 12: Provides that this act does not impair any current Authority obligation or contract, or impose any additional obligation on any contracting party.

Section 13: Provides a severability clause.

Section 3: Repeals all prior special acts relating to the District and the Authority.

Section 4: Provides a severability clause.

Section 5: Provides that this act controls in the event of a conflict.

Section 6: Provides effective date of upon becoming law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 14, 1999

WHERE? The Baker County Press

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

IV. COMMENTS:

None.

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V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Community Affairs, at its meeting on April 21, 1999, adopted four amendments offered by Representative Crady. The first amendment corrects a scrivener's error by inserting "charter of the" into section 2 of the bill. The second amendment removes one of three severability clauses. Currently, the bill has two severability clauses within its charter provisions, and an additional one in the bill's provisions. This amendment decreases some of the provisions' duplicity. The third and fourth amendments correct scrivener's errors in the bill's repealer provisions. Amendment three inserts a special act relating to the Authority's charter which was not included in the repealer. This is necessary as section 189.429, Florida Statutes, requires that all prior special acts are repealed. The fourth amendment inserts the correct chapter law, as the bill incorrectly lists chapter 92-266, Laws of Florida, in the repealer provision rather than chapter 92-265, Laws of Florida.

VI. SIGNATURES:

COMMITTEE ON Community Affairs:

Prepared by:

Staff Director:

Laura L. Jacobs

Joan Highsmith-Smith