

STORAGE NAME: h1669.hcl

DATE: April 11, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
HEALTH CARE LICENSING & REGULATION
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1669

RELATING TO: West Orange Healthcare District

SPONSOR(S): Representative Posey and others

TIED BILL(S): None

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

- (1) COMMUNITY AFFAIRS (PRC) YEAS 8 NAYS 0
 - (2) HEALTH CARE LICENSING & REGULATION
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

The bill codifies all prior special acts relating to the West Orange Healthcare District in Orange County into a single act and repeals all prior special acts relating to the District's charter.

The bill is primarily a restatement of existing charter language. The bill changes the terms of members of the board of trustees from three years to four years. As the effective date of the bill is October 1, 2000, the bill removes the authority of the district to levy ad valorem taxation which is repealed on this date pursuant to chapter 95-486, Laws of Florida.

The bill modifies the boundaries of the District. The powers of the District appear to be consistent with existing powers.

No fiscal impacts are anticipated for either fiscal year 2000-01 or 2001-02 according to the Economic Impact Statement.

See Part VI, AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES section, for the effect of the six amendments, adopted by the Committee on Community Affairs, traveling with the bill.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | 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. PRESENT SITUATION:

The West Orange Healthcare District (District) in Orange County began in 1949 as the West Orange Memorial Hospital Tax District, chapter 26066, Laws of Florida. The name of the District was changed in 1993 by chapter 93-385, Laws of Florida.

Codification

Codification is the process of bringing up-to-date a special act. Special acts are not codified and, after the Legislature passes the initial enabling act, special acts continuously amend or alter previously enacted special acts. To ascertain the current status of any special act, it is necessary to research all amendments or changes made to the act since its inception or original passage by the Legislature. Codification of special district charters is important because it allows readers to go to one special act to determine the current charter of a district, instead of two, ten, twenty, or sometimes more special acts.

Codification of special districts' charters was authorized by the 1997 Legislature when it 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: (1) extending the deadline to codify to December 1, 2004; (2) 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; (3) removing the prohibition of substantive amendments in a district's codification bill; and (4) 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

Since the enactment of sections 189.429 and 191.015, Florida Statutes, 36 special districts have codified their charters. Following is a list of special districts which have been codified pursuant to sections 189.429 and 191.015, Florida Statutes, and the corresponding Laws of Florida:

Alachua County Library District	Ch. 98-502
Anastasia Mosquito Control District	Ch. 99-449
Baker County Hospital District	Ch. 99-431
Carrollwood Recreation District	Ch. 98-475, as amended by Ch. 99-418
Cedar Key Water & Sewer District	Ch. 98-473
Central Broward Water Control District	Ch. 98-501
Charlotte County Airport Authority	Ch. 98-508
Citrus County Hospital Board	Ch. 99-442
Citrus County Mosquito Control District	Ch. 99-432
County Line Drainage District	Ch. 99-417
East Charlotte Drainage District	Ch. 99-439
Flagler Estates Road & Water District	Ch. 98-529
Florosa Fire Control District	Ch. 99-479

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Hillsboro Inlet District	Ch. 99-433
Immokalee Water & Sewer District	Ch. 98-495
Joshua Water Control District	Ch. 99-460
Lake Apopka Natural Gas District	Ch. 99-454
Lake Worth Drainage District	Ch. 98-525, as amended by Ch. 99-422
Lee County Bonita Springs Fire Control District	Ch. 98-464
Lee County Hyacinth Control District	Ch. 98-462
Lee County Mosquito Control District	Ch. 98-461
Loxahatchee Groves Water Control District	Ch. 99-425
North Bay Fire Control District	Ch. 98-470
North Naples Fire District	Ch. 99-450
Ocean City-Wright District	Ch. 99-478
Old Plantation Water Control District	Ch. 99-435
Orange County Library District	Ch. 99-486
Panama City-Bay Co. Airport	Ch. 98-527
Ranger Drainage District	Ch. 99-453
South Broward Drainage District	Ch. 98-524
Tindall Hammock Irrigation District	Ch. 98-523
Twelve Oaks Special District	Ch. 99-452
West Coast Inland Navigation District	Ch. 98-526

In 1998, the Environmental Protection Commission in Hillsborough County unsuccessfully attempted to codify its charter. The District is scheduled to codify in 2002. In 1999, there were two unsuccessful codifications. Mid-Bay Bridge Authority's codification bill passed the Legislature, but was vetoed by the Governor. The Authority was scheduled to codify its charter in 1999. The South Walton Fire District's codification bill died on the House calendar on April 30, 1999; the District is scheduled to codify its charter in 2004.

According to the Schedule of Submittals of Special Districts' Charters and information relating to charters previously codified, there are 94 special districts that should have been codified during the 1999 session but which were not. There are 56 special districts that are scheduled for codification during the 2000 Legislative Session.

Status Statement Language

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.

C. EFFECT OF PROPOSED CHANGES:

The bill codifies all prior special acts relating to the West Orange Healthcare District (District) into a single act and repeals all prior special acts relating to the District's charter.

The bill is primarily a restatement of existing charter language. The bill changes the terms of members of the board of trustees from three years to four years. As the effective date of the bill is October 1, 2000, the bill removes the authority of the district to levy ad valorem taxation which is repealed on this date pursuant to chapter 95-486, Laws of Florida.

The bill modifies the boundaries of the District. The powers of the District appear to be consistent with existing powers.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Provides that this is the codification required pursuant to chapter 97-255, Laws of Florida; states legislative intent and preserves authority granted to the District by its legislative enactments and additional authority granted by this act.

Section 2: Codifies, reenacts, amends, and repeals special acts relating to the District's charter.

Section 3: Provides for the recreation of the District and the charter for the District with the following provisions:

Section 1: Provides for the creation and incorporation of the District as a special tax District and sets forth the boundaries of the District.

Section 2: Provides that the governing body of the District shall be a Board of Trustees which was originally composed of seven persons to be appointed by the Governor, defines the terms of office for these appointments, and recommends to the Governor that trustees be appointed from persons nominated by Orange County organizations; describes the board increase from nine to sixteen trustees and the process for those appointments; provides that beginning October 1, 2000, the successors appointed by the Governor shall be appointed by the Governor for four year terms; provides a recommendation from the Legislature that such successors be appointed upon the nomination of the Orange County organization who nominated the previous board member; provides that any member of the board may be removed by the Governor at any time for cause; provides that any vacancy shall be filled by the appointment of the Governor for the remainder of the term; provides that the term of a trustee shall end on September 30 of the year in which the particular trustee's term ends; provides that September 30 is also the end of the District's fiscal

year; provides that a trustee shall normally serve until his or her successor is appointed by the Governor; provides that members of the board shall serve without pay; provides that each member shall secure a bond for the faithful performance of his or her duties; provides that the premiums on the bonds shall be paid as part of the expenses of the District; provides that each person appointed from time to time shall be a duly qualified elector and resident residing in said district in Orange County; provides that if a member of the board should fail to maintain the required residence, a vacancy shall exist on the board as if the member had resigned; and provides that subsequent to the fiscal year ending September 1999, any trustee who serves three consecutive four-year terms will not be eligible for reappointment until he or she has been off the board for one complete fiscal year.

Section 3: Provides that the board shall have all the powers of a body corporate including: the power to sue and be sued; to contract and be contracted with; to adopt and use a common seal and to alter the same at pleasure; to acquire, purchase, hold, lease, and convey such real property as the board may deem proper or expedient to carry out the purposes of this act; to appoint and employ a chief executive officer and such other agents and employees as said board may deem advisable; to borrow money and issue the notes, bonds, and other evidences of indebtedness; and provides that the board is authorized and empowered to own and operate an ambulance service within the District.

Section 4: Provides that after 1992, nine of the trustees shall constitute a quorum and that a vote of at least nine trustees shall be necessary to the transaction of any business; provides the number of trustees required for a quorum shall be reduced by one trustee for each of two vacancies on the board; provides that this reduction in the number of trustees required for a quorum and in the number of trustees required to transact business for the District shall remain in effect until the vacancies are filled by appointment of the governor; provides that the board of trustees herein named shall have the power to select from among the membership officers of the board; provides that the board shall cause true and accurate minutes and records to be kept of all business transacted by them and shall keep full, true, and complete books of account and minutes, which minutes shall be open to inspection by residents of the District; and provides that any person desiring to do so, may make or procure a copy of the minutes, records, and books of account.

Section 5: Provides that the board is hereby authorized and empowered to establish, purchase, sell, construct, operate, and maintain such hospital or hospitals as shall be necessary for the use of the people of the District; provides that said hospital or hospitals shall be established, purchased, sold, constructed, operated, and maintained by the board of trustees for the preservation of public health and for the public good, and for the use of the public of said district; provides that the construction, purchase, sale, and maintenance of such hospital, or hospitals, within said district, is hereby found and declared to be a public purpose and necessary for the preservation of the public health, for the public use, and for the welfare of said district and inhabitants thereof; provides that the location of such hospital or hospitals shall be determined by the board; and provides a definition of hospital.

Section 6: Provides that the board shall have the power of eminent domain and may thereby condemn and acquire any real or personal property which the board

may deem necessary for the use of said District, whether within or without the District; and provides that such power of condemnation shall exercise in the same manner as is now provided by general law for the exercise of the power of eminent domain by cities and towns of the State of Florida.

Section 7: Subsection A provides that the board is hereby authorized and empowered to borrow money from time to time for periods of time to be determined by the board, and to issue the note or notes, revenue bonds, certificates, or time anticipation warrants of the District therefor and upon such terms and bear such rates of interest as the board may deem advisable and which do not exceed the maximum rate permitted by law at the time of issuance; provides the amount or amounts to be borrowed shall be determined by the board; and provides that the trustees may secure the note or notes, revenue bonds, certificates, or time anticipation warrants by mortgages, liens, and other kinds of security upon any assets owned by the hospital board.

Subsection B provides that this section shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws.

Section 8: Provides that the board is authorized and empowered to issue and to sell from time to time bonds of the District in an amount or amounts determined by the board for the purpose of raising funds to establish, construct, operate, and maintain any hospital or hospitals as necessary in the District; provides the power to purchase privately owned hospital facilities; provides that the issuance of bonds shall be approved by a majority of the qualified electors voting in an election called for that purpose; provides that the board is authorized to cause an election to be held to determine whether or not bonds shall be issued and shall comply with the Constitution of the State of Florida and general law; provides that in the event a majority of the qualified electors voting in the election approve the issuance of bonds, then all such bonds issued shall be of the denomination of (\$1,000) or multiple thereof, shall bear interest at such rates as the board may deem advisable, provided that the rates do not exceed the maximum rate permitted by law; provides that both principal and interest shall be payable at such times and such place or places as the board may determine; provides that the form of such bonds shall be fixed by resolution of the board and shall have the seal of the District; provides that interest coupons shall be attached to the bonds and shall bear the signature of the chair of the board; provides that such bonds shall be due not less than five nor more than forty years from the date thereof; provides for maturation and exemption from taxation; provides that the notices of the calling of an election shall contain information as to the amount of the bonds proposed to be issued, the proposed interest rate to be paid, and the time when such bonds shall be due and payable; provides that all bonds issued by the District shall have all the quality of negotiable paper and shall not be invalidated for any irregularity or defect in the proceeding for the issue and sale thereof, and shall be incontestable in the hands of bona fide purchasers or holders thereof for value; and provides that upon approval of any bond issue, all the proceeds derived therefrom shall be deposited into a depository selected by the board.

Section 9: Provides that prior to the issuance of bonds, the board shall determine, by resolution, the amount which may be necessary to be raised annually by

taxation for an interest and sinking fund with which to pay the interest and principal of said bonds; and provides that if the bond issue is approved, the board is authorized, empowered, and required to provide for the collection annually of a sufficient tax upon all the taxable property in said District to pay such interest and with which to provide and maintain a sinking fund for the payment of the principal of said bonds.

- Section 10: Provides that the board shall offer said bonds for sale by notice stating the amount of bonds for sale, rate of interest, and when due and payable by advertising; and provides that the board shall receive bids for the purchase of said bonds or any part thereof on the day fixed by said notice and that the board shall have the right to reject all bids and re-advertise.
- Section 11: Provides that a bank, banks, depository, or depositories to be designated by the board shall receive and be custodian of the bonds and all money arising from the sale of said bonds.
- Section 12: Provides that the tax for payment of interest and principal of said bonds of the District shall be assessed and collected upon the taxable property within the said District and then deposited and used for the payment of interest and principal.
- Section 13: Provides that the funds of the District shall only be paid out upon warrant and that no warrant shall be drawn or issued against funds of the District except for a purpose authorized by this act or until approved by the finance committee of the board.
- Section 14: Provides that the board is authorized to pay from the funds of the District all expenses of the organization of the board and all expenses necessarily incurred with the formation of said district and all other reasonable and necessary expenses of the District; and provides that this section shall not be construed to limit or destroy any power vested in the board by any other section or provision of this act.
- Section 15: Provides that at least once in each year the board shall make and file with the clerk of the court, a complete financial statement of all moneys received and disbursed by them since the creation of the District since the last statement so filed; provides that such statements shall show the several sources from which said funds were received and shall show the balance on hand at the time the statement was made; provides that the statement shall show the financial condition of the District and shall be accompanied by a published notice; and provides that the statement shall be sent to the chair of the Orange County Legislative Delegation.
- Section 16: Provides that the board shall have plenary power to promulgate rules and regulations concerning the regulation of the hospital or hospitals and the admission of patients therein; provides the board shall provide for the price; provides that charity services shall not be permitted to such an extent as to impair the financial security of the District or the operation of any hospital in the District; provides that the board shall have the power to establish rules and regulations with regard to the admission of patients who are not residents of the District; provides that board may further furnish and extend the benefits and privileges of such hospital and clinics to the homes of indigent residents of the

District; provides that the board shall attempt to collect as nearly the amount established by its regular rates, but hospital services shall be furnished to all who make application thereof; and provides that all charity treatments shall be under the regulation of the board and may be limited by the board.

Section 17: Provides that it is intended that the provisions of this act shall be liberally construed for accomplishing the work authorized and provided for by this act.

Section 18: Provides for severability.

Section 19: Provides that any and all bonds issued under the provisions of this act may be validated by the board in accordance with the provisions of general law in the same manner provided for validation by any county, municipality, or taxing district of the state.

Section 20: Provides that the board shall have the power to select an Executive Committee which, with the exception of the financial expenditures and the hiring of employees, shall exercise under the supervision of the board, all such authority, supervision, and control in the actual operations of any hospital or hospitals in the District.

Section 21: Provides that the board shall have full power and authority to accept all grants, benefits, devices, donations, contributions, gifts, bequests, and offerings made to it for the use of the board in carrying out the provisions of this act.

Section 22: Provides that all laws and parts of laws in conflict herewith are repealed.

Section 23: Provides that in order that the citizens and residents of the District may receive quality health care, the board shall have the authority to form or reorganize as a not-for-profit corporation and to enter into contracts and lease agreements, and to convey real and personal property with or to a not-for-profit organization for the purpose of operating, staffing, servicing, and managing the hospital and any or all of its facilities.

Section 4: Repeals all previous special acts, except as reenacted herein.

Section 5: Provides for severability.

Section 6: Provides that this act shall control to the extent of a conflict with another act.

Section 7: Provides that this act shall take effect October 1, 2000.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? November 23, 1999

WHERE? The Orlando Sentinel in Orange County, Florida

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B. REFERENDUM(S) REQUIRED? Yes [] No [X]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached [X] No []

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] No []

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Community Affairs adopted six technical amendments on April 5, 2000. Three amendments correct inadvertent omissions from the boundary description, one amendment corrects an erroneous chapter reference in the title, and two amendments correct typographical errors.

VI. SIGNATURES:

COMMITTEE ON COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Kyle V. Mitchell

Staff Director:

Joan Highsmith-Smith

AS REVISED BY THE COMMITTEE ON HEALTH CARE LICENSING & REGULATION:

Prepared by:

Andrew "Andy" Palmer

Staff Director:

Lucretia Shaw Collins