

STORAGE NAME: h0585.hp.doc
DATE: March 7, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH PROMOTION
ANALYSIS – LOCAL LEGISLATION**

BILL #: HB 585
RELATING TO: Martin County/Tax/Indigent Health Care
SPONSOR(S): Representative Harrell

TIED BILL(S):

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

- (1) HEALTH PROMOTION
 - (2) LOCAL GOVERNMENT & VETERANS AFFAIRS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

HB 585 revises the following:

- The authority of the Martin County Board of County Commissioners to levy a tax for health care services;
- The name of the fund into which the tax is paid;
- The requirements relating to disbursements from the fund and unexpended balances in the fund; and
- The name of the review board and the hospital board.

The bill takes effect upon becoming a law.

The bill does not change the current levy nor increase the current levy cap.

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 checked="" type="checkbox"/> | N/A <input 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"/> |

The bill makes no changes to the current levy of one fourth (1/4) mill or to the current cap on the levy of two (2) mills per annum on assessed valuation of all taxable and person property in Martin County.

B. PRESENT SITUATION:

Background

In 1939, the Legislature adopted HB 041, ch. 19969 (1939), Laws of Florida, authorizing the Board of County Commissioners of Martin County to provide medication and hospitalization for indigent citizens of the county. The bill provided for the levy and collection of a tax not to exceed four (4) mills on the dollar per annum on the assessed valuation on all taxable real and personal property and to provide for a county budget item to be known as the "Medication and Hospitalization Fund."

In 1965, the Legislature adopted HB 2001, ch. 65-1906, Laws of Florida, authorizing the Martin County Board of County Commissioners to levy a tax of not less than one fourth (1/4) nor more than two (2) mills to pay for hospitalization of indigent residents. The bill required excess funds over the sum of fifty thousand dollars (\$50,000) remaining in the fund at the end of the budget year to be paid into the general fund. The bill created a hospitalization review board to advise commissioners regarding payments of hospitalization. The bill repealed ch. 19969 (1939), Laws of Florida.

In 1967, the Legislature adopted HB 3189, ch 67-1712, Laws of Florida, amending s. 2 of ch. 65-1906, Laws of Florida, requiring any excess of funds in the fund at the end of the budget year to be paid into the general fund.

In 1978, the Legislature adopted HB 1349, ch. 78-558, Laws of Florida, amending s. 2 of ch. 65-1906, as amended, expanding payments from the fund to include administrative costs and costs of doctors' services incidental to and included in the cost of hospital care.

Moneys raised for the County Hospitalization Fund is used to pay for the following:

- Inpatient services;
- In-county hospitalization of medically indigent Martin County residents;
- Physicians' services associated with inpatient hospitalizations; and
- Administrative costs associated with the program.

The amount generated from the current millage rate of ¼mill in county fiscal year 1999-2000 was \$2,301,321.

Small County Indigent Care Surtax

Section 211.055(6), F.S., relating to discretionary sales taxes, authorizes counties with a total population of 50,000 or less on April 1, 1992, to levy the Small County Indigent Care Surtax at a rate of 0.5 percent. To authorize the levy, an ordinance must be approved by an extraordinary vote of the county's governing body. Proceeds may only be expended on health services for indigent or medically poor county residents. This surtax is subject to a rate limitation which states that a county shall not levy the following discretionary sales surtaxes - Local Government Infrastructure Surtax, Small County Surtax, Indigent Care Surtax, County Public Hospital Surtax, and Small County Indigent Care Surtax - in excess of a combined rate of 1 percent.

Thirteen of thirty-one small counties currently levy the Local Government Infrastructure Surtax at 1 percent and 16 counties currently levy the Small County Surtax at 1 percent; therefore, only 2 counties (Franklin, Gulf) remain eligible to levy the Small County Indigent Care Surtax. Martin County is not eligible to levy this surtax. [http://sun6.dms.state.fl.us/dor/taxes/sc_indigent.html]

C. EFFECT OF PROPOSED CHANGES:

See SECTION-BY-SECTION-ANAYLISIS below.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends sections 1, 2, 3 and 4 of chapter 65-1906, Laws of Florida, as amended by chapters 67-1712 and 78-558, Laws of Florida, as follows:

Section 1. Updates language relating to the authority of the Martin County Board of County Commissioners to levy a tax and expands the purpose of providing funds from hospitalization of indigent residents to the payment of health care services for residents of Martin County. [Note: The bill does not raise the current levy of one fourth (1/4) mill nor remove the existing cap of two (2) mills.]

Section 2. Is amended as follows:

- Makes certain grammatical changes to the language;
- Changes the name of the county hospitalization fund to the County Health Care Fund;
- Expands the authority of the board to pay for health care programs required by Florida Statutes and other health care programs based upon a level of service to be determined by the Martin County Board of County Commissioners;
- Clarifies and updates language requiring all unexpended money in the fund at the end of the year to remain in the fund; and
- Clarifies language relating to disbursements from the fund.

Section 3. Is amended as follows:

- Changes the name of the Hospitalization Review Board to the County Health Care Review Board;
- Updates language relating to the Board of County Commissioners; and
- Changes the name of the hospital board to the Martin Memorial Health Systems Board.

Section 4. Updates and clarifies language to be consistent with sections 1, 2, and 3.

Section 2. Provides that this act shall take effect upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN?

January 21, 2001

WHERE?

Stuart, Martin County, FL

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:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

COMMITTEE ON HEALTH PROMOTION:

Prepared by:

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