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DATE: January 8, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
LOCAL GOVERNMENT & VETERANS AFFAIRS
ANALYSIS – LOCAL LEGISLATION**

BILL #: HB 423

RELATING TO: Tri-County Hospital Authority

SPONSOR(S): Representative Kendrick

TIED BILL(S): None

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

- (1) LOCAL GOVERNMENT & VETERANS AFFAIRS (SGC) YEAS 7 NAYS 0
 - (2) COUNCIL FOR HEALTHY COMMUNITIES
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill repeals the enabling act for the Tri-County Hospital Authority.

According to the attached "Economic Impact Statement," the bill has no fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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:

Dissolution of Districts

Section 189.4044, Florida Statutes, provides the procedures to dissolve an inactive special district. The Department of Community Affairs (DCA) is charged with the duty of reviewing the status of special districts and determining whether the district is still active. A factor in the DCA's determination is whether the district meets one of the following criteria:

- no district action has been taken for 2 calendar years;
- there is no district governing board or a sufficient number of governing board members to constitute a quorum for more than 18 months;
- no reports, required by section 189.414, Florida Statutes, have been filed or attempted to be filed; or
- no fees assessed by the Special District Information Program have been paid for 2 fiscal years.

If the district satisfies one of the above criteria, then the DCA publishes a notice of its proposed declaration of inactive status once a week for 2 weeks in a newspaper of general circulation within the boundaries of the district. Prior to the enactment of chapter 2001-266, L.O.F., s. 189.4044, Florida Statutes, required the notice to be published once a week for 4 weeks. The notice must contain the name of the district, the laws in which it was organized and operated under, and the territory of such district. In addition, the notice must include a provision relating to any objections to (a) the proposed declaration or (b) any claims against district assets, and requiring that any objections or claims must be filed with the DCA within 60 days following the date of last publication. A second factor in its determination is whether 60 days from last publication there were any sustained objections filed with the DCA.

If a determination of inactive status is made, then the DCA notifies the Speaker of the House of Representatives and the President of the Senate of its determination and all special acts relating to the inactive district's creation and its charter. A special district declared inactive under section 189.404, Florida Statutes, is dissolved by a special act that repeals the inactive district's enabling laws.

The declaration of inactive status is sufficient notice as required by section 10, Article III of the Florida Constitution.

The assets and property of the inactive district are subject to legal process for payment of any district debts. Following the payment of all debts, any assets or property of the district escheats to the county or municipality in which the district is located. If there are no assets to pay the district indebtedness, then the local government where the district is situated may levy any tax on the property within the boundaries of the former district in order to pay such debts. The tax is assessed and collected by the county property appraiser and tax collector.

Tri-County Hospital Authority

The Tri-County Hospital Authority, which was created by chapter 84-423, Laws of Florida, is an independent district whose boundaries include the land within Dixie, Gilchrist, and Levy Counties. The district was created to assist in the acquisition, construction, financing, and refinancing of a general hospital in the Fanning Springs area to serve Dixie, Gilchrist, and Levy Counties. The governing body of the authority is a board of trustees consisting of nine members. The county commission of each county appoints three members each.

In addition to the powers granted to health facilities authorities in section 154.209, Florida Statutes, chapter 84-423, Laws of Florida, grants the authority all powers necessary to assist a health facility, as defined in chapter 154, Florida Statutes, in the acquisition, construction, financing, and refinancing of a general hospital in the Fanning Springs area to serve Dixie, Gilchrist, and Levy Counties.

The Department of Community Affairs (DCA), pursuant to section 189.4044, Florida Statutes, declared the District inactive on December 5, 2000. The DCA declaration of inactive status, states the Tri-County Hospital Authority failed to make a good faith effort to file the reports listed in section 189.419, Florida Statutes, and failed for two consecutive years to pay fees assessed by the Special District Information Program.

The DCA published a notice of inactive status of the district in the *Dixie County Advocate* on March 16, March 23, March 30, and April 6, 2000; the *Gilchrist County News Journal* on March 16, March 23, March 30, and April 6, 2000; and the *Levy County Journal* on April 13, April 20, April 27, and May 4, 2000. The notices required any party objecting to the district's dissolution to file an objection within 60 days after the date of the last publication of the notice. In addition, the notice required district creditors to file claims against the District within the 60 day time period. No sustained objections were filed with the DCA within the 60-day period.

DCA Secretary Siebert sent a letter, dated December 4, 2001, to Senate President McKay and House Speaker Feeney, as required by section 189.4044(3), Florida Statutes, requesting that the Legislature dissolve the District by repealing its enabling laws. Attached to the letter was the Declaration of Inactive Status Report concerning the District.

C. EFFECT OF PROPOSED CHANGES:

This bill repeals the enabling act for the Tri-County Hospital Authority, which dissolves the district.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Chapter 84-423, L.O.F., is repealed.

Section 2. An effective date of upon becoming a law is provided.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

- A. NOTICE PUBLISHED? Yes No

IF YES, WHEN?

Dixie County Advocate on March 16, March 23, March 30, and April 6, 2000; the *Gilchrist County News Journal* on March 16, March 23, March 30, and April 6, 2000; and the *Levy County Journal* on April 13, April 20, April 27, and May 4, 2000.

WHERE?

Dixie County Advocate on March 16, March 23, March 30, and April 6, 2000; the *Gilchrist County News Journal* on March 16, March 23, March 30, and April 6, 2000; and the *Levy County Journal* on April 13, April 20, April 27, and May 4, 2000.

- 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:

Notice Requirement

Although this legislation was not noticed, it appears as though the publication of inactive status, pursuant to section 189.4044(1)(b), Florida Statutes, is sufficient notice. Section 11.02 requires notice of special or local legislation to be published in a newspaper circulated throughout the affected county one time at least thirty days prior to the introduction of the legislation. The notice must contain the substance of the legislation as required by section 10, Article III of the Florida Constitution. However, section 189.4044(3), Florida Statutes, provides that the declaration of inactive status is sufficient notice as required by section 10, Article III of the Florida Constitution. It appears as though the more specific statutory provision, section 189.4044, Florida Statutes, controls.

Assets and Indebtedness

As noted in the "Present Situation," section 189.4044, Florida Statutes, provides the assets and property of the inactive district are subject to legal process for payment of any district debts. Following the payment of all debts, any assets or property of the district escheats to the county or municipality in which the district is located. If there are no assets to pay the district indebtedness,

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The statutes do not address situations where a special district is located in more than one county, as is the Tri-County Hospital Authority.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON LOCAL GOVERNMENT & VETERANS AFFAIRS:

Prepared by:

Staff Director:

Thomas L. Hamby, Jr.

Joan Highsmith-Smith