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HB 1457, Engrossed 1

2003 Legislature

A bill to be entitled

An act relating to Halifax Hospital Medical Center, Volusia County; codifying, reenacting, and amending the charter of the Halifax Hospital Medical Center special tax district; providing for boundaries of the district; establishing a Board of Commissioners; providing for membership and appointment; providing powers and duties of the board; providing for meetings of the board; authorizing the district to establish, construct, operate, and maintain hospitals, medical facilities, and services; providing that the district shall have the power of eminent domain; authorizing the district to perform certain functions in order to carry out the purposes of the act; providing for the issuance of bonds and procedures relating thereto; authorizing the district to levy and collect certain taxes; authorizing officers of the district to sign checks and warrants; providing procedure for levy and collection of taxes; providing for the payment of expenses; requiring the establishment of revenue accounts; requiring the district to provide care and services for the medically indigent; providing for liberal construction; exempting property of the district from taxation; requiring an annual financial audit of the books and records of the district; providing for employee benefits; providing for competitive bidding; providing an alternative to bidding procedure; providing an exception; authorizing the board to designate a direct-support



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

organization; providing for severability; repealing chapters 79-577, 79-578, 84-539, 89-409, and 91-352, Laws of Florida; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Pursuant to section 189.429, Florida Statutes, this act constitutes the codification of all special acts relating to the Halifax Hospital Medical Center special tax district. It is the intent of the Legislature to provide a single, comprehensive special act charter for said district, including all current legislative authority granted to the district by its several legislative enactments and any additional authority granted by this act and chapter 189, Florida Statutes, as they may be amended from time to time. It is further the intent of this act to preserve all district authority.

Section 2. Chapters 79-577, 79-578, 84-539, 89-409, and 91-352, Laws of Florida, relating to the Halifax Hospital Medical Center special tax district are codified, reenacted, amended, and repealed as herein provided.

Section 3. The charter for the Halifax Hospital Medical Center special tax district is re-created and reenacted to read:

Section 1. A special tax district is hereby created to be known as "Halifax Hospital Medical Center" in Volusia County, Florida, which district shall include all of Volusia County except those parts described below:



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

Beginning at the point of intersection of the main channel of Mosquito Inlet and the Atlantic Ocean, thence run Southeasterly with the shore of the Atlantic Ocean to the point of intersection with the South line of Township 19S, thence West with said Township line to the Southwest corner of Section 34, Township 19S, Range 33E, thence North to the Northwest corner of Section 3, Township 19S, Range 33E, thence West along the South line of Township 18S, Range 33E, to the Southwest corner of said Township 18S, Range 33E, thence north with West line of Township 18S, Range 33E, to the Northwest corner of said Township 18S, Range 33E, thence West along line between Townships 17S and 18S to the Southwest corner of Township 17S, Range 32E, thence along the Range line between Ranges 31E and 32E North to the Northwest corner of Township 17S, Range 32E, thence East along the North line of Township 17S, Range 32E to the point of intersection with the South fork of Spruce Creek, thence Northerly and Easterly along Spruce Creek to the point of intersection with the main channel of the Halifax River, thence Southerly and Easterly along the main channel of the Halifax River and the main channel of Mosquito Inlet to the point of beginning. All the above described property lying and being in County of Volusia, State of Florida.



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

Commencing at a point on the East Shore of Lake George where same is intersected by the Putnam-Volusia County line and run Northeasterly with said line to be the Southernmost point of Lake Crescent; thence East with shore line of Lake Crescent to the mouth of Hawk Creek; thence up said Creek to its intersection with the East line of Range 28 East; run thence South with said Range line (it being the Flagler-Volusia County line) to the Northwest corner of Section 30, Township 14 South, Range 29 East; thence run East 12 miles to the Northeast corner of Section 25, Township 14 South, Range 30 East; thence run South two miles to the Southeast corner of Township 14 South, Range 30 East; thence run West along said Township line to the Northeast corner of Township 15 South, Range 30 East; thence run South with the range line between Ranges 30 and 31 East about six miles to the Southeast corner of Township 15 South, Range 30 East, run thence East along the North line of Township 16 South, Range 31 East about six miles to the Northeast corner of said Township 16 South, Range 31 East; run thence South on the range line between Ranges 31 and 32 East about twelve miles to the Southeast corner of Township 17 South, Range 31 East; run thence East with the line between Township 17 and 18 South to the Northeast corner of Township 18 South, Range 32 East; run thence South on the range line between Ranges 32 and 33 East to the Southeast corner of Township 18 South, Range 32



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

East; run thence East on the line between Township 18 South, Range 33 East and Township 19 South, Range 33 East about three miles to the Northeast corner of Section 4 of Township 19 South, Range 33 East. Run thence South on the East line of Sections 4-9-16-21-28 and 33. Township 19 South, Range 33 East to the Southeast corner of Section 33, Township 19, South Range 33 East; run thence East on the line between Township 19 South, Range 33 East and Township 20 South, Range 33 East to the Northeast corner of Township 20 South, Range 33 East; run thence South on the East line of Township 20 South, Range 33 East and along the East line of Township 21 South, Range 33 East to the Southeast corner of Section 36, Township 21 South, Range 33 East, run thence West along a South line of Township 21 South, Range 33 East to the intersection of said Township line with the St. Johns River; thence run down the St. Johns River in a generally Northwesterly direction to Lake George and with the East Shore line of said Lake George to the place of beginning.

Section 2. (1) The governing body of the district shall be a Board of Commissioners which shall consist of seven members, each of whom shall be a resident of the district and appointed by the Governor. Except with respect to those appointees who shall be appointed to serve terms ending on the dates specified herein, each commissioner shall be appointed for



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

a term of 4 years. The appointments which must be made with respect to the four commissioners whose terms end in May of 1985 shall be made with two commissioners being appointed for terms ending May 23, 1986, and two commissioners being appointed for regular 4-year terms. With respect to the appointments which must be made for the three commissioners whose terms end in May 1987, two commissioners shall be appointed for regular 4-year terms and one commissioner shall be appointed for a term ending May 23, 1988.

(2) The Governor may suspend a commissioner pursuant to section 7, Article IV of the State Constitution. Each commissioner shall give bond to the Governor conditioned on the officer's faithful performance of the duties of his or her office, in the sum of \$5,000, with a surety company approved by the district and qualified to do business in Florida. The bond shall be approved and filed with the Clerk of the Circuit Court of Volusia County. The premiums on each bond shall be paid by the district.

Section 3. The district shall have all powers of a body corporate, including, but not limited to, the power to sue and be sued; to enter into contracts; to adopt and use a common seal; to establish corporations pursuant to chapter 617, Florida Statutes, under the control of the district; to enter into capital or operating leases; and to acquire, purchase, hold, lease, and convey such real and personal property as may be proper or expedient to carry out the purposes of this act. The district shall have the power to employ a chief executive officer or such other agents and employees as it deems may be



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

advisable to operate and manage the district's facilities; to borrow money and issue notes, bonds, and other evidences of indebtedness to carry out the provisions of this act; to foster community redevelopment within the district through financial contribution with the community redevelopment trust fund; and to accept promissory notes and voluntary liens to evidence and secure payment for health care services rendered to patients whenever patients are unable to pay their bills in full when payment is due.

Section 4. Four of the commissioners shall constitute a quorum, but no action, except to recess or adjourn, shall be effective unless four of the commissioners concur therein. The Board of Commissioners shall keep true and accurate minutes and records of all business transacted by it. The minutes, records, and books of account shall at all reasonable times be open and subject to inspection and copying by the public, pursuant to section 119.07, Florida Statutes.

Section 5. The district may establish, construct, operate, and maintain such hospitals, medical facilities, and other health care facilities and services as are necessary. The hospitals, medical facilities, and other health care facilities and services shall be established, constructed, operated, and maintained by the district for the preservation of the public health, for the public good, and for the use of the public of the district. Maintenance of such hospitals, medical facilities, and other health care facilities and services in the district is hereby found and declared to be a public purpose and necessary for the general welfare of the residents of the district.



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

Section 6. The district shall have the power of eminent domain, and it may condemn and acquire any real or personal property within the district which the board may deem necessary for the use of the district. The power of condemnation shall be exercised in the same manner as is now or may be provided by general law for the exercise of the power of eminent domain by counties of the state, including the right to take possession and title in advance of final judgment under the procedures set forth in chapter 74, Florida Statutes.

Section 7. In order to carry out the purposes of this act:

(1) The district may borrow money and execute promissory notes having a term of up to 7 years and may enter into credit purchase agreements having a term of up to 7 years. The district may determine with respect to such notes or credit purchase agreements the initial principal amounts and may set terms and rates of interest.

(2) The district may facilitate fair and consistent delivery of health care services to indigent persons by charging for indigent care services on the same sliding scale used by the Volusia County Health Department.

(3) The district may form both not-for-profit and for-profit corporations. The for-profit corporations may only engage in health care-related activities. Only the not-for-profit corporations may be capitalized by the district and financially supported by the district. Neither the district nor a not-for-profit corporation formed by the district may capitalize for-profit corporations, but this shall not prohibit the district or its not-for-profit corporations from entering





ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

good faith agreements to receive from such for-profit corporations services, goods, and facilities, as long as the charge for such services, goods, and facilities is at fair market value. The district shall not hold in its name corporate stock issued by any for-profit corporation established by the district, but the stock of such for-profit corporations may be held by a not-for-profit corporation established by the district or by a third party in trust for the district under a written trust agreement.

(4) The not-for-profit corporations and the for-profit corporations established by the district may be stockholders which may enter into joint ventures and other cooperative projects with third-party individuals and entities as long as:

(a) Any assets of the not-for-profit corporation which are provided by the district are not liened, collateralized, mortgaged, subject to a security interest, or otherwise put at risk.

(b) The district's credit is not pledged or lent to or for the benefit of the joint venture or other cooperative projects.

(c) The district itself is not directly involved as a shareholder, joint venturer, or partner. The fact that a corporation established by the district is a shareholder, joint venturer, or other type of participant in a business or cooperative project shall not, alone, subject that business or cooperative project to requirements of chapter 119, Florida Statutes, or chapter 286, Florida Statutes.

(5) The district may issue tax anticipation notes and neither validation proceedings nor referendum approval is



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

necessary with respect to tax anticipation notes with a maturity date not more than 12 months after their date of issuance.

(6) The district shall maintain commercial insurance, establish a risk retention program consisting of self-insurance plans, or utilize a combination of commercial insurance and self-insurance plans to protect against those risks of less commonly insured against by businesses and organizations carrying out the health care functions provided by the district. Such commercial insurance and/or self-insurance plans shall be in such amounts as deemed prudent under the circumstances by the district's insurance consultant. The district may develop a risk retention program consisting of separate self-insurance plans for the following risks: general liability, errors and omissions, medical professional liability, including the district's "shared risk" of joint and several liability with medical physicians, workers' compensation, and employee medical benefits.

(7) Each self-insurance plan established or sponsored by the district shall be funded on an annual basis in an amount at least equal to that sum jointly established by the hospital's CEO and the district's insurance consultant as needed to maintain the plan's solvency for the applicable plan year. In making such determination, the insurance consultant and the CEO shall include "incurred but not reported" claims in the reserves against claims. The self-insurance plans within the risk retention program may be established and funded utilizing a single trust as long as the cost of risk for each self-insurance plan is separately accounted for and reported. If necessary or



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

beneficial for legal or actuarial purposes, the separate self-insurance plans within the risk retention program may be established utilizing separate trusts or separate not-for-profit corporations.

(8) Protecting the district and its assets through commercial insurance or through a risk retention program consisting of self-insurance plans or through a combination of commercial insurance and self-insurance plans is an essential governmental function. The fact that hospital employees, their beneficiaries, or other third parties receive incidental benefits as a result of the commercial insurance or self-insurance plans purchased, established, or sponsored by the district shall not be a basis for asserting such commercial insurance or such plan within the risk retention program is not primarily for the benefit of the district or is not an essential governmental function as long as any third party receiving such incidental benefit pays its fair and equitable share of the district's total costs for insuring or self-insuring the risks.

(9) Nothing herein shall be interpreted as prohibiting the district from purchasing other commercial insurance or establishing or sponsoring other self-insurance plans under its risk retention program.

Section 8. (1) The district may, by resolution of the board, authorize the issuance of bonds for the purposes set forth in this act, and for the acquisition and development of real property, including appurtenances, fixtures, and equipment, and for major repairs or renovations to real property which significantly extend its useful life or change its function, and



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

for any necessary operating capital outlay to furnish and operate a new or improved facility. The bonds may be revenue bonds payable from ad valorem taxes, or bonds payable from a combination of the two; provided, however, that no bonds either pledging the full faith and credit of the district, or pledging the taxing power thereof, except refunding bonds issued at a lower net average interest cost rate, shall be issued unless the issuance has been approved in a referendum by a majority vote of the electors of the district voting on the question. Nothing herein shall limit any rights the district has or may have under general law.

(2) Pursuant to resolution of the board, such bonds may:

(a) Be issued in either coupon or registered form or both.

(b) Have dates of maturity not exceeding 40 years after the date of issuance.

(c) Bear interest at a rate to be determined by the board.

(d) Provide for registration of coupon bonds and conversion and reconversion of bonds from coupon to registered form or from registered form to coupon form.

(e) Provide for payment at maturity and redemption prior to maturity at specified times and prices.

(f) Be payable at specified places within or without the state.

(3) Bonds shall be signed by such officers of the board or district as shall be required by resolution of the board. The signatures may be manual or facsimile signatures, but at least one of the signatures shall be a manual signature. The coupons shall be signed with the facsimile signatures of such officials



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

of the board as the board shall determine. In case any officer whose signature or facsimile of whose signature appears on any bonds or coupons ceases to be such officer before delivery of the bonds or coupons, his or her signature or facsimile signature shall nevertheless be valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until delivery.

(4) All bonds shall be exempt from all state, county, and city taxation.

(5) All bonds issued pursuant to this act shall be and have, and are hereby declared to be and have, all the qualities and incidents of negotiable instruments under the Uniform Commercial Code--Investment Securities Law of the state.

(6) The board may sell the bonds in such a manner and at such prices as the board may determine to be in the best interest of the district, but not, however, at less than 95 percent of par value.

(a) The bonds may be sold either at negotiated or public sale as determined by the board to be in the best interest of the district.

(b) If the bonds are to be sold at public sale:

1. Notice of the sale shall be published at least once at least 10 days prior to the date of sale in one or more newspapers or financial journals published within or without the state and shall contain such terms as the board shall deem advisable and proper under the circumstances; provided that if no bids are received at the time and place called for by the notice of sale, or if all bids received are rejected, the bonds



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

may again be offered for sale upon a shorter period of reasonable notice provided for by resolution of the board.

2. All bids for the purchase of any bonds offered for sale by the board shall be opened in public. Such bonds shall be awarded by resolution of the board to the bidder offering to purchase such bonds at the lowest net interest cost, such cost to be determined by deducting the total amount of premium bid from or adding the total amount of discount bid to the aggregate amount of interest which will accrue on such bonds until their respective maturities, without reference to any provisions for prior redemption of such bonds.

3. No best bid from a reputable underwriter or team of underwriters which bid conforms to the notice of sale may be rejected unless all bids are rejected. If the bids rejected are legally acceptable bids under the notice of sale, such bonds shall not be sold thereafter except upon public sale after publication of notice of sale as provided herein.

(7) No bonds shall be issued by the district unless the face or reverse thereof contains a certificate, executed either manually or with the facsimile signature of the secretary or assistant secretary of the board or district, to the effect that the issuance of such bonds has been approved under the provisions of this act by the board. The certificate shall be conclusive evidence as to approval of the issuance of such bonds by the district and that the requirements of this act and all of the laws relating to such bonds are in full compliance.

(8) The district, by resolution of its board, shall have the authority to issue bond anticipation notes in the name of



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

the district in anticipation of the receipt of the proceeds of the bonds in the same manner and subject to the same limitations and conditions provided by section 215.431, Florida Statutes. The rights and remedies which they would have if they were the holders of the definitive bonds in anticipation of which they are issued, and all of the covenants, agreements, or other proceedings relating to the definitive bonds in anticipation of which such bond anticipation notes are issued shall be a part of the proceedings relating to the issuance of the notes as fully and to the same extent as if incorporated verbatim herein.

(9) Prior to the preparation of definitive bonds, the district, pursuant to resolution of its board, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery under such terms and conditions as the board shall deem advisable. The resolution may also provide for the replacement of any bonds which shall become mutilated or be destroyed, stolen, or lost under such terms and conditions as the board shall deem advisable.

(10) Bonds issued under the provisions of this act may be validated in the manner provided in chapter 75, Florida Statutes.

Section 9. (1) Prior to the issuance of full faith and credit bonds, the Board of Commissioners shall determine the amount which, in the opinion of the board, will be necessary to be raised annually by taxation for the payment of the debt service on all such outstanding bonds and all such bonds proposed to be issued. Subject to the millage limitations



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

authorized by law, the district shall provide for the levy and collection annually of a sufficient tax upon all the taxable property in the district to make the debt service payments on the bonds and debt service on notes, for expenses of operation, maintenance, construction, improvements, and repair of the hospitals or clinics, and for the payment of any indebtedness or other necessary expenses in carrying out the business of the district.

(2) The millage for the taxes assessed and levied against the taxable property within the district for the payment of debt service, including interest and principal of the bonds and notes issued by the district and for the operation, maintenance, improvement, and repair of the hospitals, medical facilities, clinics, or outpatient facilities and services, including, but not limited to, providing care to the indigent as provided in this act, or for the payment of any outstanding indebtedness authorized by this act, or for the payment of other necessary expenses in carrying on and transacting the business of the district, shall not exceed 4 mills on all the nonexempt property within the district, unless authorized by law and approved by a majority vote of the electors of the district voting on the issue.

Section 10. The Board of Commissioners, the Chief Executive Officer, and the Chief Fiscal Officer of the district are hereby authorized to sign checks and warrants of the district by facsimile signature and to use and employ facsimile signature machines for that purpose. The stamping, printing, or lithographing of facsimile signatures of the Chief Executive





ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

Officer and Chief Fiscal Officer shall constitute sufficient signatures in compliance with Florida Statutes as to the withdrawal of district funds from a depository.

Section 11. The levy of the taxes authorized by any provision of this act shall be pursuant to a resolution of the board. Certified copies of the resolution executed in the name of the board by its chair, under its corporate seal, shall be made and delivered to the County Council of Volusia County, and to the Department of Revenue in the same manner and within the same time period as required of counties pursuant to general law. The County Council of Volusia County shall require the Director of the Finance Department of the county to collect the amount of taxes so assessed or levied by the district upon the nonexempt property in the district, at the rate of taxation as fixed, levied, and adopted by the Board of Commissioners of the district for the year and included in the warrant of the Property Appraiser and attached to the assessment roll of taxes for the county each year. The Director of the Finance Department of Volusia County shall collect the tax as levied by the district in the same manner as other taxes are collected, and he or she shall remit the taxes collected to the district within the time and in the manner prescribed by law for the collection and handling of county taxes to the county depository. All revenues so collected shall be held, used, invested, and disbursed by the district as provided in this act or as otherwise provided by law.

Section 12. The district is authorized to pay from the funds of the district all expenses necessarily incurred in the



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

formation of the district and all other reasonable and necessary expenses, including, but not limited to, those expenses of the type normally incurred in the establishment, operation, repair, maintenance, expansion, and diversification of a modern integrated system for the delivery of health care services consisting of hospitals, clinics, health maintenance organizations, ambulatory care facilities, managed care facilities, other alternative delivery systems, self-insurance, risk retention programs, captive insurance companies, and support organizations. This section shall not be construed to restrict any of the powers vested in the district by any other provision of this act or any provision of general law.

Section 13. (1) The district shall create two separate revenue accounts. One account shall be the Ad Valorem Tax Revenue Account which shall be a separate account into which all ad valorem tax revenues are deposited, and the other account shall be the General Revenue Account into which all other district revenues are deposited.

(2) Each corporation established and controlled by the district shall utilize a bookkeeping and financial management system which identifies all of that corporation's revenues generated through operation of those assets which were obtained with ad valorem tax revenues.

(3) Annually the board shall publish in a newspaper of general circulation published in the district an audited consolidated financial statement of the district and its corporations. Such financial statements shall be prepared according to generally accepted accounting principles, shall



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

specifically include a combined balance sheet and a combined statement of revenues and expenses, and shall show a complete statement of the financial conditions of the district as of the end of the fiscal year.

Section 14. The hospitals, medical facilities, clinics, and outpatient facilities established under this act or by a not-for-profit corporation formed by the district shall provide either independently or in cooperation with each other and/or in cooperation with the Volusia County Public Health Care Unit an appropriate location or locations for the delivery of quality hospital care and related services and treatment to patients who are determined according to criteria established by the board to be medically indigent. Persons so determined to be medically indigent shall receive such services at the locations established by the district or by a not-for-profit corporation formed by the district either for no charge or alternatively for a reduced charge according to the same sliding scale used by the Volusia County Health Department. Each hospital, medical facility, clinic, and outpatient facility established under this act shall collect such charges as the district may from time to time establish for hospital care, outpatient care, and related services and treatment. Except as is otherwise required by law or by agreement with the Volusia County Health Department, the district's ad valorem tax revenues shall be used to fund medical services to indigent persons only if such services are provided at facilities owned by the district or at facilities in which the district or a corporation established by the district holds an ownership interest. The district may extend the use of



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

hospitals, clinics, and medical facilities of the district to nonresidents upon such terms and conditions as the district may from time to time by its rules provide. The medically indigent residents of the district wherein such hospital and clinic are located shall have priority to admission and outpatient services.

Section 15. It is intended that the provisions of this act shall be liberally construed in order to accomplish the purposes of the act. Where strict construction of this act would result in the defeat of the accomplishment of any of the purposes of this act, and a liberal construction would permit or assist in the accomplishment thereof, the liberal construction shall be chosen.

Section 16. All property, real and personal, of the Halifax Hospital Medical Center, a special tax district in Volusia County, and all property, both real and personal, of the Board of Commissioners of the special tax district are hereby exempted from taxation pursuant to chapter 196, Florida Statutes.

Section 17. The district shall provide for an annual financial audit of its books and records in accordance with section 218.39, Florida Statutes.

Section 18. The district is authorized to:

(1) Provide and pay all or any part of the insurance expenses or premiums on its respective employees' insurance or self-insurance covering injuries received by such employees after working hours or covering illness of such employees and their dependents.



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

(2) Provide to employees and their dependents a discount on the cost of drugs, laboratory, X-ray work, or other hospital services.

(3) Provide and pay for employee benefits for group life insurance on employees of the district.

(4) Provide such other fringe benefits to district employees as it from time to time deems appropriate.

(5) Incur and pay reasonable expenditures for travel, physician recruiting, employee recruiting, hospitality, education, and marketing related to the furtherance of the district's objectives.

Section 19. (1) All purchases of supplies, commodities, equipment, and materials as well as the leasing of equipment for use in the operation and maintenance of the district, and all contracts for work, construction, repair, or replacement of buildings or other capital improvements to the district's property, the cost of which is in excess of \$10,000, shall be made or let by the district by contract to the lowest responsible bidder according to the written specifications previously prescribed therefor, and after publication in a newspaper of general circulation within the district, 1 day a week for 2 consecutive weeks, of an advertisement or notice calling for or inviting such bids.

(2) As an alternative to the procedure prescribed in subsection (1), whenever it reasonably appears to the Board of Commissioners of the district that by reason of an emergency or other unusual condition the compliance with the bidding procedure prescribed in subsection (1) would be detrimental to



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

the interest of the district or its patients, or it appears to the Board of Commissioners that such supplies, commodities, equipment, and materials, and the leasing of equipment for the use in the operation or maintenance of the district are obtainable from only one source or supplier, the Board of Commissioners of the district may by appropriate resolution identify such emergency, unusual condition, or sole source situation and authorize the purchase, lease agreement, or contract without complying with the procedure prescribed in subsection (1).

(3) The bidding requirements in subsection (1) shall not apply to prosthetic devices, pacemakers, or other surgically implanted devices or materials if the delay incident to complying with such bidding requirements could adversely affect patient care or could cause the patient to elect to have the implant surgery performed at a private hospital which is not bound by such bidding requirements.

(4) All contracts between the district and a third party for construction, repair, or replacement of buildings, structures, or other capital improvements owned and operated by the district, the cost of which is in excess of \$25,000, shall be made or let to the lowest responsible bidder, unless:

(a) The construction is in conjunction with a design-build project, in which case the district shall comply with section 287.055(9), Florida Statutes; or

(b) The lowest bidder refuses to enter into a contract which prohibits the contractor from claiming delay damages, in which case the district may contract with any qualified general



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

contractor for the district's choice on the condition that the contract with such contractor prohibits the contractor claiming delay damages and the contract price does not exceed the bid from the lowest responsible bidder by more than 5 percent.

Section 20. (1) The Board of Commissioners may designate an organization as a Halifax Hospital Medical Center direct-support organization to provide assistance, funding, and support to the board in carrying out its powers and duties. For the purposes of this section, "Halifax Hospital Medical Center direct-support organization" means an organization which:

(a) Is a corporation not for profit which is incorporated under chapter 617, Florida Statutes.

(b) Is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, Halifax Hospital Medical Center, except that the organization may not receive funds from the board by grant, gift, or contract unless specifically authorized by the Legislature.

(c) Provides equal employment opportunities to all persons regardless of race, color, national origin, sex, age, or religion.

(d) Has been specifically certified as a Halifax Hospital Medical Center direct-support organization by a resolution adopted by the Board of Commissioners.

(2) The Board of Commissioners shall prescribe, by rule, procedures by which the Halifax Hospital Medical Center direct-support organization is to be governed and any conditions with which the organization must comply in order to use property,



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

facilities, or personal services of the district without charge.  
"Personal services" include the services of full-time personnel  
and the services of part-time personnel. The rules shall  
provide:

(a) That the articles of incorporation and procedures for  
the governance of the direct-support organization must be  
approved by the board.

(b) That an annual budget must be submitted by the direct-  
support organization to the board for approval.

(c) That the chair of the Board of Commissioners or his or  
her designee must certify, after an annual financial and  
performance review, that the direct-support organization is  
operating in compliance with the provisions of the rules and in  
a manner consistent with the goals of the board and in the best  
interests of the state. Such certification shall be made to the  
board annually and reported in the official minutes of a meeting  
of the board.

(d) For procedures to be followed to revoke the  
designation of the nonprofit organization as a direct-support  
organization and for procedures for the reversion to the state  
of funds held in trust by the direct-support organization if  
such designation is revoked or, after notice of such revocation,  
procedures for expenditure of such funds for purposes approved  
by the board.

(e) That the fiscal year of the direct-support  
organization begins on July 1 each year and ends on June 30 next  
following.





ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

(3) Before taking office, each member of the governing board of the Halifax Hospital Medical Center direct-support organization must be approved by the Board of Commissioners. The chair of the Board of Commissioners, or a board member designated by the chair, shall serve as a member of the governing board and of the executive committee of the direct-support organization.

(4) The Halifax Hospital Medical Center direct-support organization shall provide for an annual financial and compliance audit of its accounts and records, to be conducted by an independent certified public accountant in accordance with rules adopted by the Board of Commissioners. The annual audit report shall include a management letter and shall be filed as a public record with the district. The Board of Commissioners and the Auditor General may request, and shall receive from the direct-support organization or its auditor, any detail or supplemental data which relates to the operation of the organization.

(5) Meetings of the Halifax Hospital Medical Center direct-support organization are public meetings and shall be conducted in accordance with section 286.011, Florida Statutes. Records of the direct-support organization, except for records which identify donors or potential donors to the direct-support organization and which shall be confidential, are public records for the purposes of chapter 119, Florida Statutes. The confidentiality of records which identify donors or potential donors to the direct-support organization shall be maintained in the auditor's report.



ENROLLED  
HB 1457, Engrossed 1

2003 Legislature

Section 21. Nothing in this act may be interpreted or construed as eliminating or limiting any right, power, or authority which the district has under any other state law.

Section 4. If any provision of this act or the application thereof to any person or circumstance is held inoperative, unconstitutional, or invalid, it shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

Section 5. Chapters 79-577, 79-578, 84-539, 89-409, and 91-352, Laws of Florida, are repealed.

Section 6. This act shall take effect upon becoming a law.