

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1599 Highlands Co. Hospital District
SPONSOR(S): Representative Troutman
TIED BILLS: None. **IDEN./SIM. BILLS:** None.

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Local Government & Veterans' Affairs		Morris	Cutchins
2) Finance & Tax			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill codifies the Highlands County Hospital District (HCHD). The HCHD is a dependent special district in Highlands County created for the purpose of establishing, constructing, leasing, operating, and maintaining any hospital or health care facility that is declared to have a public purpose for the preservation of public health, public use, and the welfare of the district and its inhabitants.

According to the economic impact statement, there does not appear to be a fiscal impact.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | 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. EFFECT OF PROPOSED CHANGES:

Pursuant to section 189.429, Florida Statutes, the Highlands County Hospital District (HCHD) is required to codify its charter into a single act for reenactment by the Legislature.

This bill codifies chapters 61-2232, 72-553, 74-487, 78-519, 80-506, 81-384, 84-437, 85-420, 88-456, and 96-443 Laws of Florida, relating to the HCHD. The HCHD is a dependent special district in Highlands County created for the purpose of establishing, constructing, leasing, operating, and maintaining any hospital or health care facility that is declared to have a public purpose for the preservation of public health, public use, and the welfare of the district and its inhabitants.

C. SECTION DIRECTORY:

Section 1 refers to the requirement of codification pursuant to s. 189.429, F.S., for the Highlands County Hospital District.

Section 2 codifies, reenacts, amends, and repeals chs. 61-2232, 72-553, 74-487, 78-519, 80-506, 81-384, 84-437, 85-420, 88-456, and 96-443 L.O.F., relating to the HCHD's Charter.

Section 3 provides the codified charter of the HCHD.

Section 1 provides the title and boundaries of the district, which embraces all of Highlands County.

Section 2 provides the composition and removal of the HCHD's five board of commissioners. This section also prohibits the board members from receiving a salary but allows for a \$120 stipend designated as expense money for board members the meet certain criteria.

Section 3 provides the district with corporate powers, including the power to sue, be sued, contract, adopt a seal, and acquire, purchase, hold, lease, mortgage, and convey real and personal property.

The district may also appoint and employ a superintendent and fix compensation for all employees.

Section 4 prescribes the method for delegating the chair of the board. Three of the five commissioners constitute a quorum and a majority of votes is necessary for the transaction of

any district business. The district is also required to keep accurate minutes and records of district business.

Section 5 authorizes the board to establish, construct, lease, operate, and maintain any hospital that it deems necessary for the use of the people of the district. The board may also accept gifts, loans, or advancements for the purchase of property, real or personal, for the construction of, equipping of, and maintenance of any hospital in the district.

Section 6 allows the board to establish and maintain training schools for nurses and requires the board to issue a diploma to nurses who have satisfactorily completed the required courses deemed necessary by the board.

Section 7 provides the board the power of eminent domain that shall be exercised in the same manner as provided in general law.

Section 8 authorizes the board to borrow money for periods not exceeding 20 years at any one time. The board may also issue notes of the district not exceeding eight percent per year. The board is also authorized to pledge security for money borrowed.

Section 9 authorizes the board to issue bonds bearing an interest rate not to exceed six percent per year and become due not less than five nor more than 30 years from the date of issuance, in an amount not to exceed \$1 million of the total bonded indebtedness of the district.

Section 10 requires the board to determine the amount of revenue that will need to be raised by taxation for an interest and sinking fund before the issuance of bonds. The board must provide for the levy and collection annually of a sufficient tax upon all the taxable property in the district.

Section 11 requires all bonds issued by the board, except refunding bonds, revenue bonds, or certificates and anticipation time warrants, to be issued only after they have been approved by the majority of the votes cast in an election in which a majority of freeholders are in favor of the issuance of the bonds. This section also provides the notice requirements of said election.

Section 12 specifies that only the registered electors of the district who are freeholders owning real property are permitted to vote at a bond election.

Section 13 references ch. 100, F.S., to govern the procedure for bond elections.

Section 14 requires all bonds issued under this act to be in the denomination of \$100 or some multiple thereof and bear interest not exceeding six percent annually, to be paid annually or semiannually. The signature of the chair and secretary, along with the district's seal, are required on all bonds.

Section 15 requires all bonds issued under this act to be either registered or coupon bonds.

Section 16 requires the board to investigate and determine the legality of the proceedings to issue bonds. The resolution authorizing the bonds may direct that they contain a recital provided in this section.

Section 17 authorizes the board to include more than one improvement or hospital purpose in any bond issue.

Section 18 requires all bonds issued under this act to be advertised for sale on sealed bids in a financial newspaper published in the City of New York, the City of Chicago, the City of Baltimore, or in a newspaper of general circulation published in a city in Florida having a population of not fewer than 20,000 inhabitants. Advertisements must be published one a week

for three weeks with the first publication occurring at least 21 days prior to the date fixed for the reception of bids.

The board may reject any and all bids and may hold a private sale within 60 days after the date advertised for the reception of sealed bids. No private sale shall be less than the highest bid that had been received. No bonds issued under this act shall be sold for less than 95 percent of the par value and accrued interest.

Section 19 provides that bonds issued under this act shall be incontestable for value in the hands of bona fide purchasers or holders.

Section 20 authorizes the board to provide by resolution for the issuance of refunding bonds to refund the principal and interest of an existing bond indebtedness, for the payment of which the credit of the hospital district is pledged, and such bonds may be issued at or prior to maturity of the bonds to be refunded. Refunding bonds do not require an election for issuance.

Section 21 allows the board to issue refunding bonds in one or more series, bear the date, mature at the time not exceeding 30 years from their respective date, bear interest at the rate not exceeding the maximum rate of interest borne by the notes, bonds, or other obligations refinanced thereby, be in the denomination, be in the form either coupon or registered, carry the registration and conversion privileges, be executed in the manner, be payable in the medium of payment at the place, be subject to the terms of redemption with or without a premium, be declared or become due before the maturity date thereof, provide for the replacement of mutilated, destroyed, stolen, or lost bonds, and be authenticated in the manner and upon compliance with the conditions and contain such other terms and covenants as is desired.

Section 22 provides that refunding bonds bearing the signature of officers of the district in office on the date of the signing to be valid and binding.

Section 23 provides terms for refunding bonds to be sold or exchanged.

- Refunding bonds may be sold or exchanged in installments at different times, or an entire issue or series may be sold or exchanged at one time.
- Refunding bonds may be exchanged privately for and in payment and discharge of any of the outstanding notes, bonds, or other obligations of the district.
- The refunding bonds may be sold at not less than 95 percent of par at public or private sales.

Section 24 provides for all bonds or refunding bonds issued under this act to be legal investments for state, county, municipal, and all other public funds and for banks, savings banks, insurance companies, executors, administrators, trustees, and all other fiduciaries shall also constitute securities eligible as collateral security.

Section 25 requires the funds of the district to be paid out only upon warrants, signed by the chair or chair pro tem of the board with a corporate seal.

Section 26 allows the board 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 the district and all other reasonable and necessary expenses.

Section 27 authorizes the board to enter into contracts with the government of the United States or any agency or instrumentality thereof, or with the state or any county, municipality, district,

authority, or political subdivision, private corporation, partnership, association, or individual providing for or relating to the construction or acquisition of additions, extensions, and improvements to a hospital.

Section 28 requires the board to annually publish a complete detailed statement of all transactions, the sources, the current balance, and the complete financial condition of the district.

Section 29 requires each hospital or clinic established under this act to be for the use and benefit of the residents of the district. The hospital or clinic may treat patients without charge who are found to be indigent and who have for one year preceding the application for admission been residents of the district. The board is also authorized to accept money from any welfare funds provided for Highlands County or funds available to the indigent patients from a federal, state, or county agency.

The board may collect treatment costs from patients who are financially able. The board may extend the privileges and use of the hospital or clinic to nonresidents of the district who pay the rates established by the board.

The board may exclude from treatment and care any person having a communicable or contagious disease when such disease may be a detriment to the best interests of the hospital or clinic or a source of contagion or infection to the patient in its care, unless the hospital has a separate building or ward for the special treatment of such patients and can properly and with safety to the other patients retain the communicable or contagious case in such separate ward or building.

Section 30 authorizes the board to adopt rules and bylaws for the operation of the hospital and the hospital staff, which includes giving, granting, or revoking licenses and privileges of staff members to serve the best interests of the hospital.

This section also allows any patient to employ a personal physician to have exclusive charge of the care and treatment of said patient.

Section 31 authorizes the board to secure liability insurance covering vehicles, premises, and malpractice. The board may not purchase such insurance from companies not duly authorized to do business in Florida unless equivalent insurance coverage is not available from companies duly authorized in Florida.

Section 32 provides the liberal construction clause of the charter for accomplishing the work authorized by this act.

Section 33 provides the invalidation and severability clause.

Section 34 provides the board with additional authority without regard to any limitations and conditions contained in any other section of this act.

- The board may acquire, construct, reconstruct, extend, make additions to, enlarge, improve, repair, remodel, restore, equip, and furnish hospital and other health care facilities now or hereafter located in the district and which are or may be owned by or under the supervision, operation, and control of the district. This section also defines "health care facilities" relating to this act.
- The board may issue negotiable revenue bonds of the district for the purpose of paying or refinancing all or any part of the cost of any hospital or other health care facility. The

board may also issue negotiable bond anticipation notes and may renew them from time to time, but the maximum maturity of any such note, including renewals thereof, may not exceed 5 years from the date of issue of the original note.

- The revenue bonds and notes of every issue shall be payable solely out of revenues derived by the district from hospital and other health care facilities within the district and owned by or under the supervision, operation, and control of the district, together with any other funds of the district legally available for the purpose.
- Revenue bonds may be issued as serial bonds, as term bonds, or otherwise, or the board may issue bonds of all types. The revenue bonds shall be authorized by resolution or resolutions of the board not exceeding 50 years from their respective dates, bear interest rates not exceeding the maximum rate permitted by law at the time of issuance. The board shall determine the form and manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest.
- Each or any issue of revenue bonds may be secured by a trust agreement by and between the district and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside of the state. Such resolution or such trust agreement may set forth the rights and remedies of the bondholders and the trustee and may restrict the individual right of action by the bondholders.
- Revenue bonds issued under this section shall not be deemed to constitute a debt, liability, obligation, a pledge of the faith and credit, or the taxing power of the district, Highlands County, or the state or any political subdivision thereof, but they shall be payable solely from the revenues and funds provided therefore.
- All bonds issued under this section have all of the qualities and incidents, including negotiability, of investment securities under the Uniform Commercial Code, but no provision of such code respecting the filing of a financing statement to perfect a security interest shall be deemed necessary for or applicable to any security interest created in connection with the issuance of any such bonds.
- The exercise of the powers granted by this section will be in all respects for the benefit of the people of this state. Any bonds issued under the provisions of this section shall at all times be free from taxation of every kind.
- The board may provide for the issuance of revenue bonds of the district for the purpose of refunding any of its revenue bonds then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase, or maturity of such revenue bonds.
- Bonds issued under this section are made securities in which all public officers, public bodies of the state, and its political subdivisions, all banks, trust companies, bankers, banking associations, etc., may properly and legally invest funds.
- An election in the district is not required as a condition precedent to the exercise by the board of any of the powers conferred by this section unless such election is required by the state constitution.
- Revenue bonds may be issued under this section without any other proceedings, except as otherwise expressly provided in this section, the consent of any department,

division, commission, board, body, bureau, or agency of the state or any political subdivision thereof.

- Section 34 of the HCHD Charter is deemed to provide an additional and alternative method for the doing of the things authorized in this section and shall be regarded as supplemental and additional to powers conferred by other laws.

Section 35 allows the board to enter into contract with corporations duly authorized to do business in the state for the purpose of operating and managing a hospital and any or all of its facilities of whatsoever kind and nature and enter into leases with such corporations for the operating of such facilities.

Section 36 allows the board to transfer by gift or loan to the Highlands County Commission any surplus assets or funds from whatever source derived. However, the surplus assets or funds must be used exclusively for health services in Highlands County.

Section 4 repeals chs. 61-2232, 72-553, 74-487, 78-519, 80-506, 81-384, 84-437, 85-420, 88-456, and 96-443 L.O.F., relating to the HCHD's Charter.

Section 5 provides that this act shall take effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN?

October 21, 2003.

WHERE?

Highlands Today & The Tampa Tribune in Sebring, Highlands County, Florida.

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

According to the economic impact statement, there does not appear to be a fiscal impact.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

N/A.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES