

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1829 CS
SPONSOR(S): Brown
TIED BILLS:

Holmes County
IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Government Council</u>	<u>8 Y, 0 N</u>	<u>Smith</u>	<u>Hamby</u>
2) <u>Finance & Tax Committee</u>	<u>7 Y, 0 N, w/CS</u>	<u>Monroe</u>	<u>Diez-Arguelles</u>
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

This bill amends ch. 30843 (1955), L.O.F., relating to Holmes County Hospital Corporation (corporation). The corporation was created in 1955 as a public non-profit corporation for the benefit of the citizens and residents of Holmes County, Florida. The purpose of the corporation was to establish, acquire, construct, erect, equip, maintain and operate a public hospital at Bonifay in Holmes County. The hospital provides as many beds as practicable and the corporation is further authorized to extend or enlarge and otherwise increase the size of the hospital and the services to be rendered to the public by the hospital.

The bill amends the charter to increase the corporation’s bonding authority to construct and erect a new hospital facility in Holmes County, subject to a referendum. The bill amends ch. 30843 (1955), L.O.F., the charter of the corporation to:

- remove a reference to Bonifay, Florida, relating to the creation of the hospital;
- delete a requirement that the by-laws, rules, and regulations for the guidance and government of the hospital not be inconsistent with the city ordinances of Bonifay, Florida;
- authorize the corporation to incur liabilities, borrow money at such rates of interest as the trustees may determine, issue notes, bonds or other obligations and secure any of its obligations by mortgage, pledge or assignment of all or any of its properties, franchises or income;
- remove a provision providing that without rendering the corporation liable beyond the sources of money pledged, it may borrow money giving security to the bonds provided for in this act;
- remove a provision requiring that bonds authorized by the corporation not exceed \$175,000.00 for the construction of the hospital and that all proceeds from the bond sale remaining in the hands of the corporation after payment of all costs of construction of the hospital must be used by the corporation for equipping, operating and maintaining the hospital in connection with the hospital program outlined in this act;
- authorize the trustees to issue bonds or to have bonds issued payable from legally available revenues and pledge property sufficient to pay the principal and interest as the same become due on the bonds, which will be in such form and denomination bearing an interest rate that does not exceed that authorized by general law;
- provide procedures for the issuance of bonds;
- provide no resolution or proceeding in respect to the issuance of bonds will be necessary; and
- removes a provision limiting the board’s eminent domain power to property within the city limits of Bonifay, Florida.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Limited government – This bill increases powers of the Holmes County Hospital Corporation by removing restrictions on current powers, including restrictions on the corporation's bonding capacity, rule-making authority, and eminent domain authority.

B. EFFECT OF PROPOSED CHANGES:

This bill amends ch. 30843 (1955), L.O.F., relating to Holmes County Hospital Corporation (corporation). The corporation was created in 1955 as a public non-profit corporation for the benefit of the citizens and residents of Holmes County, Florida. The purpose of the corporation was to establish, acquire, construct, erect, equip, maintain and operate a public hospital at Bonifay in Holmes County. The hospital provides as many beds as practicable and the corporation is further authorized to extend or enlarge and otherwise increase the size of the hospital and the services to be rendered to the public by the hospital.

The bill amends the charter to increase the corporation's bonding authority to construct an erect a new hospital facility in Holmes County, subject to a referendum. Specifically, the bill amends the charter of the corporation to:

- remove a reference to Bonifay, Florida, relating to the creation of the hospital;
- delete a requirement that the by-laws, rules, and regulations for the guidance and government of the hospital not be inconsistent with the city ordinances of Bonifay, Florida;
- authorize the corporation to incur liabilities, borrow money at such rates of interest as the trustees may determine, issue notes, bonds or other obligations and secure any of its obligations by mortgage, pledge or assignment of all or any of its properties, franchises or income;
- remove a provision providing that without rendering the corporation liable beyond the sources of money pledged, it may borrow money giving security to the bonds provided for in this act;
- remove a provision requiring that bonds authorized by the corporation not exceed \$175,000.00 for the construction of the hospital and that all proceeds from the bond sale remaining in the hands of the corporation after payment of all costs of construction of the hospital must be used by the corporation for equipping, operating and maintaining the hospital in connection with the hospital program outlined in this act;
- authorize the trustees to issue bonds or to have bonds issued payable from legally available revenues and pledge property sufficient to pay the principal and interest as the same become due on the bonds, which will be in such form and denomination bearing an interest rate that does not exceed that authorized by general law;
- provide procedures for the issuance of bonds;
- provide no resolution or proceeding in respect to the issuance of bonds will be necessary; and
- remove a provision limiting the board's eminent domain power to property within the city limits of Bonifay, Florida.

C. SECTION DIRECTORY:

Section 1. Amends s. 1 of ch. 30843 (1955), L.O.F., relating to the creation of the corporation.

Section 2. Amends subsection (i) of s. 3 of ch. 30843 (1955), L.O.F., relating to powers of the corporation.

- Section 3. Amends s. 12 of ch. 30843 (1955), L.O.F., relating to the authorization of the corporation to transact business, enter into contracts, and borrow money.
- Section 4. Amends s. 15 of ch. 30843 (1955), L.O.F., removing a \$175,000 bond cap for the construction of a hospital; authorizes the trustees to issue bonds or to have bonds issued payable from legally available revenues, pledge property sufficient to pay the principal and interest as the same become due on the bonds, which will be in such form and denomination bearing an interest rate that does not exceed that authorized by general law; providing procedures for the issuance of bonds; and providing that no resolution or proceeding in respect to the issuance of bonds will be necessary.
- Section 5. Amends s. 18 of ch. 30843 (1955), L.O.F., removing a reference to the city limits of Bonifay, Florida, relating to eminent domain.
- Section 6. Repeals ss. 16, 17, 19, 20, 21, 22, 23, 26, and 27 of ch. 30843 (1955), L.O.F.
- Section 7. Requires a referendum to be held by December 30, 2006, to approve the changes to the corporation's charter.
- Section 8. Provides for the bill to take effect upon approval of the electorate, except for section 7 which shall take effect upon becoming law..

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? February 23, 2005

WHERE? Holmes County Times-Advertiser, Bonifay, Holmes 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

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On April 22, 2005, the Committee on Finance and Tax adopted one amendment to the bill. That amendment requires the corporation to hold a referendum to approve the increase in bonding authority.