

**HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS**

**BILL #:** HB 999 CS

Lake Shore Hospital Authority, Columbia County

**SPONSOR(S):** Stansel

**TIED BILLS:**

**IDEN./SIM. BILLS:**

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

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**SUMMARY ANALYSIS**

The Lake Shore Hospital Authority is an independent special district located in Columbia County. This bill codifies all prior special acts of the district into a single act. The bill deletes obsolete provisions, and makes minor, stylistic changes to language in the district charter. The bill also adds new language to the charter, including a severability clause and a statement that provides for the remedial and liberal construction of the act

According to the Economic Impact Statement, no fiscal impacts are anticipated as a result of the bill.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **The Lake Shore Hospital Authority**

The Lake Shore Hospital Authority was created as an independent special district in Columbia County by ch. 63-1247, L.O.F.<sup>1</sup> The authority is administered by a seven-member board of county citizens and residents who are appointed by the Governor, and empowered to acquire, construct, improve, enlarge, repair, equip, operate and maintain hospitals and facilities in Columbia County. Currently, the authority owns Lake Shore Hospital, which it leases to Shands HealthCare, a private not-for-profit corporation which is affiliated with the University of Florida Health Science Center, and a clinic which also is leased to a private corporation.<sup>2</sup>

The authority may issue bonds, and also is authorized to request the Board of County Commissioners of Columbia County to levy a tax not to exceed three mills for the purpose of maintaining and operating hospital facilities, and providing health care to indigent residents.

This bill codifies all prior special acts of the district into a single act, as required by s. 189.429, F.S. The bill deletes obsolete provisions, and makes minor, stylistic changes to language in the district charter. The bill also contains provisions which are not contained in previous district special acts. In recreating and reenacting the charter for the district, the bill:

Section 1: Provides for the creation of the authority.

Section 2: Provides definitions to the following terms used in the act: "authority," "bonds," "county," "facility" or "facilities," "federal agency," "members" and "revenues."

Section 3: (1) Provides that the authority's governing body shall consist of seven members appointed by the Governor who are Columbia County citizens and residents. Provides for four-year terms of office. (2) Provides that no elected public official may serve as a member of the authority. (3) Provides that authority members receive no compensation, but are entitled to reimbursement for expenses incurred while performing their official duties. (4) Provides that four members of the authority constitute a quorum. Provides that ordinances or resolutions adopted by a majority of the members will become effective without publication or posting.

Section 4: Provides that authority members maintain a principal office in Columbia County, and that they meet there at least once a month to transact business. Provides that the members annually elect a chair, one or more vice chairs, and a secretary and treasurer. Requires that the treasurer provide a bond in an amount to be designated by a majority vote of the members. Authorizes the members to pay salaries to the secretary and treasurer.

Section 5: Provides that it is the duty of the secretary to keep minutes of all authority proceedings and meetings. Provides that it is the duty of the treasurer to keep separate accounts of all authority receipts and disbursements.

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<sup>1</sup> Chapter 63-1247 has been amended by the following subsequent special acts: chs. 65-1414, 72-509, 90-409, and 92-229, L.O.F.

<sup>2</sup> March 11, 2005, conversation with authority attorney.

Section 6: Provides that members have exclusive control of all authority expenditures, except that persons who make contributions for the benefit of the authority shall have the right to attach conditions to their gifts.

Section 7: Provides that the authority has the power to acquire, construct, improve, enlarge, repair, equip, operate and maintain hospitals and facilities in Columbia County. Provides that the authority has the following rights and powers:

- (1) to sue and be sued;
- (2) to adopt a corporate seal;
- (3) to acquire, construct, improve, maintain, operate, equip, repair and lease hospitals and other facilities including real and personal property of any kind;
- (4) to acquire, operate, lease, sell or transfer any franchises, properties, or any interest therein to carry out its purposes;
- (5) to issue bonds;
- (6) to enter into leases;
- (7) to charge for the services and facilities of its hospitals and other facilities;
- (8) to furnish temporary relief to the county indigent, and to study the cause of their poverty; to seek a plan for their permanent rehabilitation; to assist them to support themselves; to bury deceased indigents and provide cemeteries for that purpose; and to enter into agreements with other facilities for the provision of health care services to indigents;
- (9) to enter into contracts and other instruments;
- (10) to borrow money and accept grants, contributions or loans, and to enter into contracts and other transactions with the U.S. Government, the state, the county, Lake City or any other public body;
- (11) to encumber available funds of the authority as security for its bonds;
- (12) to employ an executive director, physicians and other employees and agents, and to fix their compensation;
- (13) to provide for county inhabitants who require aid by reason of age, infirmity or misfortune;
- (14) to receive and accept grants, gifts and donations from persons, firms or governmental agencies; and
- (15) to do all things necessary or convenient to carry out the powers of the authority.

Section 8: Provides that the Board of County Commissions of Columbia County is required to provide sufficient revenue to the authority for the maintenance and operation of its facilities.

Section 9: Authorizes the authority to issue bonds for the purpose of paying the cost of acquiring, constructing, equipping, repairing or maintaining facilities.

Section 10: Provides the authority with incidental powers with regard to the issuance of bonds.

Section 11: Authorizes the authority to issue refunding revenue bonds.

Section 12: Provides remedies for bond holders and trustees.

Section 13: Provides that the authority will not be required to pay taxes or assessments on its facilities as such facilities constitute public property and are used for county purposes.

Section 14: Provides that authority bonds constitute legal investments.

Section 15: Provides that the powers conferred by the act are supplemental to any existing powers of the authority, and that the act supersedes inconsistent special or general laws.

Section 16: (1) Provides that the members of the authority are authorized to request the Board of County Commissioners of Columbia County to levy a tax not to exceed three mills for the purpose of maintaining and operating hospital facilities, and providing health care for indigent residents. (2) Provides that the board shall levy and remit such tax upon request of the authority.

Section 17: Adds new language which provides that the act is remedial, and shall be liberally construed.

Section 18: Adds new language which provides for the severability of the act.

### **Background – Codification:**

Codification is the process of compiling, updating and systematically arranging the special acts that comprise a special district's charter. After a district is created by special act of the Legislature, original charter provisions may be amended by subsequent special acts. Because special act amendments are not automatically incorporated into one special act charter, it is necessary to locate all special acts amending a district's original charter in order to ascertain its current status. This process can be difficult and time-consuming. Codification of special district charters permits readers to easily locate and identify the current charter of a district.

Codification of special district charters was initially authorized by the 1997 Legislature in ss. 189.429<sup>3</sup> and 191.015<sup>4</sup>, F.S., both of which were amended in 1998. These laws provide for codification of all special district charters by December 1, 2004.<sup>5</sup> Any codified act relating to a special district must provide for the repeal of all prior special acts relating to the district. The 2001 Legislature amended s. 189.429, F.S., to provide that reenactment of existing law: (1) shall not be construed to grant additional authority nor supersede the authority of an entity; (2) shall continue the application of exceptions to law contained in special acts reenacted pursuant to the section; (3) shall not be construed to modify, amend or alter any covenants, contracts or other obligations of any district with respect to bonded indebtedness; and (4) shall not be construed to affect a district's ability to levy and collect taxes, assessments, fees or charges for the purpose of redeeming or servicing the district's bonded indebtedness.

Since the enactment of ss. 189.429 and 191.015, F.S., 173 special districts have codified their charters.

### **C. SECTION DIRECTORY:**

**Section 1:** Provides that the act constitutes the codification of all special acts relating to the district.

**Section 2:** Codifies, amends, reenacts and repeals special acts relating to the district's charter.

**Section 3:** Re-creates and reenacts the district charter as follows:

Section 1: Provides for the creation of the authority.

Section 2: Provides various definitions.

Section 3: Provides for the authority's governing body.

Section 4: Provides for the meetings, and election of authority officers.

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<sup>3</sup> Chapter 189, F.S., is known as the "Uniform Special District Accountability Act."

<sup>4</sup> Chapter 191, F.S., is known as the "Independent Special Fire Control District Act."

<sup>5</sup> The 1998 amendment allows for the adoption of the codification schedule provided for in an October 3, 1997, memorandum issued by the Chair of the House Committee on Community Affairs.

Section 5: Provides for duties of authority secretary and treasurer.

Section 6: Provides for control of expenditures.

Section 7: Provides for purposes and powers of authority.

Section 8: Provides for the maintenance and operation of authority facilities.

Section 9: Authorizes the authority to issue bonds.

Section 10: Provides the authority with incidental powers relating to bonds.

Section 11: Authorizes the authority to issue refunding bonds.

Section 12: Provides remedies for bond holders.

Section 13: Provides for the exemption of authority property from taxation.

Section 14: Provides that authority bonds constitute legal investments.

Section 15: Provides that the powers conferred by the act are supplemental to existing powers.

Section 16: Provides for taxing.

Section 17: Adds new language which provides that the act is remedial, and shall be liberally construed.

Section 18: Adds new language which provides for the severability of act.

**Section 4:** Repeals previous special acts.

**Section 5:** Provides for an effective date of upon becoming law.

## II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? January 21, 2005

WHERE? *The Lake City Reporter*, a newspaper published in Columbia County.

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

The Economic Impact Statement indicates that the bill has no fiscal impact.

### **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**

At its meeting on March 30, 2005, the Local Government Council adopted three amendments. The amendments:

- corrected a typographical error;
- added language which specified that the authority is authorized to enter into agreements with other facilities located within the county for the provision of health care services to indigent residents; and
- removed obsolete language referring to the transfer of existing facilities.

On April 15, 2005, the Finance and Tax Committee adopted one amendment, removing language which could have been read as providing a supremacy clause and could have resulted in the provisions of this charter superseding the provisions of a subsequent General Law.