

1 A bill to be entitled
2 An act relating to the sale or lease of a county,
3 district, or municipal hospital; amending s. 155.40,
4 F.S.; providing definitions; requiring approval from a
5 circuit court for the sale or lease of a county,
6 district, or municipal hospital unless certain
7 exemption or referendum approval applies; requiring
8 the hospital governing board to determine by certain
9 public advertisements whether there are qualified
10 purchasers or lessees before the sale or lease of such
11 hospital; requiring the board to state in writing
12 specified criteria forming the basis of its acceptance
13 of a proposal for sale or lease of the hospital;
14 providing for publication of notice; authorizing
15 submission of written statements of opposition to a
16 proposed transaction to the hospital governing board
17 within a certain timeframe; requiring the board to
18 file a petition for approval with the circuit court
19 and receive approval before any transaction is
20 finalized; providing an exception; specifying
21 information to be included in such petition; providing
22 for the circuit court to issue an order requiring all
23 interested parties to appear before the court under
24 certain circumstances; granting the circuit court
25 jurisdiction to approve sales or leases of county,
26 district, or municipal hospitals based on specified
27 criteria; providing for a party to seek judicial
28 review; requiring the court to enter a final judgment;

29 requiring the board to pay costs associated with the
 30 petition for approval unless a party contests the
 31 action; providing exemptions for certain transactions
 32 completed before a specified date; providing for
 33 cessation of special district taxing authority at sale
 34 unless reduced and ratified by referendum; providing
 35 that any general or special law that is inconsistent
 36 with or otherwise in conflict with the act is
 37 specifically superseded by the act; repealing s.
 38 155.41, F.S., relating to applicability of retroactive
 39 exemptions for the sale or lease of county, district,
 40 or municipal hospitals, to conform to changes made by
 41 the act; amending s. 395.3036, F.S.; conforming cross-
 42 references and terminology; providing an effective
 43 date.

44
 45 Be It Enacted by the Legislature of the State of Florida:

46
 47 Section 1. Section 155.40, Florida Statutes, is amended to
 48 read:

49 155.40 Sale or lease of county, district, or municipal
 50 hospital; effect of sale.—

51 (1) As used in this section, the term:

52 (a) "Affected community" means those persons residing
 53 within the geographic boundaries defined by the charter of the
 54 county, district, or municipal hospital or, if the boundaries
 55 are not specifically defined by charter, by the geographic area
 56 from which 75 percent of the county, district, or municipal

57 hospital's inpatient admissions are derived.

58 (b) "Fair market value" means the price that a seller or
 59 lessor is willing to accept and a buyer or lessee is willing to
 60 pay on the open market and in an arms-length transaction, or
 61 what a certified public accounting firm or an independent expert
 62 in hospital valuation determines the fair market value to be.

63 (c) "Interested party" includes any party submitting a
 64 proposal for the sale or lease of a county, district, or
 65 municipal hospital; any taxpayer from a county, district, or
 66 municipality in which the majority of the physical assets of a
 67 hospital are located; or a governing board of a hospital.

68 (d) "Net operating revenue" has the same meaning as in s.
 69 395.701(1). The term does not include restricted donations and
 70 grants for indigent care or nonoperating revenues, including,
 71 but not limited to, local unrestricted tax revenues and
 72 appropriated funds from state and local governments or any other
 73 type of tax support, gain or loss from the sale of assets, or
 74 unrestricted contributions.

75 (e) "Qualified purchaser or lessee" means an entity that
 76 demonstrates access to capital in an amount equal to or in
 77 excess of 25 percent of the net operating revenue generated in
 78 the previous fiscal year of the hospital that is the subject of
 79 the sale or lease. Such access to capital may be demonstrated by
 80 cash reserves, an existing line of credit, or a binding
 81 commitment to obtain a line of credit to finance the purchase in
 82 an amount that equals or exceeds 25 percent of the net operating
 83 revenue generated by the hospital.

84 (2)-(1) In the interest of providing quality health care

85 services to the ~~order that~~ citizens and residents of this the
 86 state, and notwithstanding any other provision of general or
 87 special law, a ~~may receive quality health care,~~ any county,
 88 district, or municipal hospital organized and existing under the
 89 laws of this state, acting by and through its governing board,
 90 may shall have the authority to sell or lease the such hospital
 91 to a for-profit or not-for-profit Florida entity ~~corporation~~,
 92 and enter into leases or other contracts with a for-profit or
 93 not-for-profit Florida entity ~~corporation~~ for the purpose of
 94 operating the and ~~managing~~ such hospital and ~~any or all of its~~
 95 facilities ~~of whatsoever kind and nature~~. The term of any such
 96 lease, contract, or agreement and the conditions, covenants, and
 97 agreements to be contained therein shall be determined by the
 98 governing board of the such ~~county, district, or municipal~~
 99 hospital. The governing board of the hospital must find that the
 100 sale, lease, or contract is in the best interests of the
 101 affected community ~~public~~ and must state the basis of that ~~such~~
 102 finding. ~~If the governing board of a county, district, or~~
 103 ~~municipal hospital decides to lease the hospital, it must give~~
 104 ~~notice in accordance with paragraph (4)(a) or paragraph (4)(b).~~

105 (3)(2) A ~~Any such~~ lease, contract, or agreement made under
 106 this section ~~pursuant hereto~~ shall:

107 (a) Provide that the articles of incorporation of the such
 108 for-profit or not-for-profit entity ~~corporation~~ be subject to
 109 the approval of the board of directors or board of trustees of
 110 the such hospital;

111 (b) Require that any not-for-profit entity ~~corporation~~
 112 become qualified under s. 501(c)(3) of the United States

CS/CS/CS/HB 711

2012

113 Internal Revenue Code;

114 (c) Provide for the orderly transition of the operation
115 and management of the ~~such~~ facilities;

116 (d) Provide for the return of the ~~such~~ facility to the
117 county, municipality, or district upon the termination of the
118 ~~such~~ lease, contract, or agreement; and

119 (e) Provide for the continued treatment of indigent
120 patients pursuant to the Florida Health Care Responsibility Act
121 and pursuant to chapter 87-92, Laws of Florida.

122 (4) (a) By December 31, 2012, the governing board of a
123 county, district, or municipal hospital shall begin an
124 evaluation of the benefits to an affected community from the
125 sale or lease of hospital facilities owned by the board. The
126 board shall:

127 1. Conduct a public hearing that shall be noticed in one
128 or more newspapers of general circulation in the county in which
129 the majority of the physical assets of the hospital are located
130 and in the Florida Administrative Weekly at least 15 days before
131 the hearing is scheduled to occur.

132 2. Contract with a certified public accounting firm or
133 other firm that has substantial expertise in the valuation of
134 hospitals to independently establish the fair market value of
135 the hospital. The firm's valuation report shall be published at
136 least 7 business days before the scheduled public hearing.

137 3. Conduct an operating comparison between the hospital
138 and other similarly situated hospitals. The comparison shall
139 examine both not-for-profit and for-profit hospitals that have a
140 similar service mix to determine whether there is a difference

141 in operating costs or measurable outcomes by using publicly
142 available data provided by the Agency for Health Care
143 Administration and the quality metrics identified by the Centers
144 for Medicare and Medicaid Services Core Measures. The comparison
145 must determine whether it is more beneficial to taxpayers and
146 the affected community for the hospital to be operated by a
147 governmental entity or whether the hospital could be operated by
148 a not-for-profit or for-profit entity and provide similar or
149 better cost-efficiencies or measurable outcomes as identified by
150 the Centers for Medicare and Medicaid Services Core Measures.
151 The comparison must also determine whether there is a net
152 benefit to the community to operate the hospital as a not-for-
153 profit or for-profit entity and use the proceeds of the sale or
154 lease.

155 4. Make all documents considered by the board in the
156 course of such evaluation publicly available.

157 (b) Within 120 days after the initiation of the process
158 established in paragraph (a), the governing board shall publish
159 notice of the board's findings in one or more newspapers of
160 general circulation in the county in which the majority of the
161 physical assets of the hospital are located and in the Florida
162 Administrative Weekly.

163 ~~(3) Any sale, lease, or contract entered into pursuant to~~
164 ~~this section prior to the effective date of this act must have~~
165 ~~complied with the requirements of subsection (2) in effect at~~
166 ~~the time of the sale, lease, or contract. It is the intent of~~
167 ~~the Legislature that this section does not impose any further~~
168 ~~requirements with respect to the formation of any for-profit or~~

169 ~~not-for-profit Florida corporation, the composition of the board~~
 170 ~~of directors of any Florida corporation, or the manner in which~~
 171 ~~control of the hospital is transferred to the Florida~~
 172 ~~corporation.~~

173 (5)(4) If In the event the governing board of a county,
 174 district, or municipal hospital determines that it is no longer
 175 in the best interest of the affected community to own or operate
 176 the hospital and elects to consider a sale or lease, the
 177 governing board must first determine whether there are any
 178 qualified purchasers or lessees. In the process of evaluating
 179 any qualified purchaser or lessee elects to sell or lease the
 180 hospital, the board shall:

181 (a) ~~Negotiate the terms of the sale or lease with a for-~~
 182 ~~profit or not-for-profit Florida corporation and Publicly~~
 183 advertise the meeting at which the proposed sale or lease will
 184 be considered by the governing board of the hospital in
 185 accordance with ss. s. 286.0105 and 286.011; or

186 (b) Publicly advertise the offer to accept proposals in
 187 accordance with s. 255.0525 and receive proposals from all
 188 ~~interested and~~ qualified purchasers and lessees.

189
 190 Any sale or lease must be for fair market value or, if not for
 191 fair market value, the lease must be in the best interest of the
 192 affected community. A ~~and any~~ sale or lease must comply with all
 193 applicable state and federal antitrust laws.

194 (6) A determination by a governing board to accept a
 195 proposal for sale or lease must state, in writing, the findings
 196 and basis for supporting the determination.

197 (a) The governing board's acceptance of a proposal for
198 sale or lease must include a description of how the sale or
199 lease satisfies each of the following requirements:

200 1. The transaction represents fair market value. If the
201 proposal is for less than fair market value, the governing board
202 shall provide an explanation of how the best interests of the
203 affected community are served by the proposed transaction.

204 2. Acceptance of the proposal will result in a reduction
205 or elimination of ad valorem or other taxes for taxpayers in the
206 district.

207 3. The proposal includes an enforceable commitment that
208 programs and services and quality health care will continue to
209 be provided to all residents of the affected community,
210 particularly to the indigent, the uninsured, and the
211 underinsured.

212 4. Disclosure has been made of all conflicts of interest,
213 including, but not limited to, whether the sale or lease of the
214 hospital would result in a private gain or loss to members of
215 the governing board, management employees, or members of the
216 medical staff of the county, district, or municipal hospital.
217 Such disclosure shall include whether current members of the
218 governing board will be serving on the board of any successor
219 private entity. Conflicts of interest with respect to experts
220 retained by the governing board must also be disclosed.

221 5. Disclosure has been made by the seller or lessor of all
222 contracts with physicians or other entities providing contracted
223 health care services for the seller or lessor, including all
224 agreements or contracts that may be void or voidable upon the

225 completion of the transaction.

226 6. The proposal is in compliance with subsections (7) and
227 (8).

228 (b) The findings must be accompanied by all information
229 and documents relevant to the governing board's determination,
230 including, but not limited to:

231 1. The names and addresses of all parties to the
232 transaction.

233 2. The location of the hospital and all related
234 facilities.

235 3. A description of the terms of all proposed agreements.

236 4. A copy of the proposed sale or lease agreement and any
237 related agreements, including, but not limited to, leases,
238 management contracts, service contracts, and memoranda of
239 understanding.

240 5. Any valuations of hospital assets prepared during the 3
241 years immediately preceding the proposed transaction date.

242 6. The fair market value analysis, or any other valuation
243 prepared at the request of the board, owner of the hospital, or
244 managing entity of the hospital, and the proposed acquisition
245 price.

246 7. Copies of all other proposals and bids that the
247 governing board may have received or considered in compliance
248 with subsection (5).

249 (7) Within 120 days before the anticipated closing date of
250 the proposed transaction, the governing board shall make
251 publicly available all findings and documents required under
252 subsection (6) and publish a notice of the proposed transaction

253 in one or more newspapers of general circulation in the county
254 in which the majority of the physical assets of the hospital are
255 located. The notice shall include the names of the parties
256 involved and the means by which a person may submit written
257 comments about the proposed transaction to the governing board
258 and obtain copies of the findings and documents required under
259 subsection (6).

260 (8) Within 20 days after the date of publication of public
261 notice, any person may submit written comments of opposition to
262 the transaction to the governing board.

263 (9) A governing board of a county, district, or municipal
264 hospital may not enter into a sale or lease of a hospital
265 facility without first receiving approval from a circuit court
266 or, for any such hospital that is required by its statutory
267 charter to seek approval by referendum for any action that would
268 result in the termination of the direct control of the hospital
269 by its governing board, approval at such referendum.

270 (a) Circuit courts shall have jurisdiction to approve the
271 sale or lease of a county, district, or municipal hospital. A
272 petition for approval shall be filed in the circuit court in
273 which the majority of the physical assets of the hospital are
274 located.

275 (b) The governing board shall file a petition in a circuit
276 court seeking approval of the proposed transaction at least 30
277 days after publication of the notice of the proposed
278 transaction.

279 (c) A petition filed by the governing board shall include
280 all findings and documents required under subsection (6) and

281 certification by the governing board of compliance with all
282 requirements of this section. The chair of the governing board
283 must certify under oath and subject to the penalty of perjury on
284 a form accompanying the petition that the contents of the
285 petition and representations therein are true and correct.

286 (10) Within 45 days after receiving a petition, the court
287 shall render a final judgment with respect to whether the
288 governing board complied with the process provided in this
289 section. In reaching its final judgment, the court shall
290 determine whether:

291 (a) The proposed transaction is permitted by law.

292 (b) The proposed transaction does not unreasonably exclude
293 a potential purchaser or lessee on the basis of being a for-
294 profit or a not-for-profit Florida corporation or other form of
295 business organization, such as a partnership or limited
296 liability company.

297 (c) The governing board publicly advertised the meeting at
298 which the proposed transaction was considered by the board in
299 compliance with ss. 286.0105 and 286.011.

300 (d) The governing board publicly advertised the offer to
301 accept proposals in compliance with s. 255.0525.

302 (e) Any conflict of interest was disclosed, including, but
303 not limited to, a conflict of interest relating to members of
304 the governing board and experts retained by the parties to the
305 transaction.

306 (f) The seller or lessor documented that it will receive
307 fair market value for the sale or lease of the assets or, if
308 sold or leased at less than fair market value, the governing

309 board provided a detailed explanation of how the best interests
310 of the affected community are served by the acceptance of less
311 than fair market value for the sale or lease of the hospital.

312 (g) The governing board incorporated a provision in the
313 sale or lease requiring the acquiring entity to continue to
314 provide existing programs and services and quality health care
315 to all residents of the affected community, particularly to the
316 indigent, the uninsured, and the underinsured.

317 (h) The governing board documented whether the proposed
318 transaction will result in a reduction or elimination of ad
319 valorem or other taxes used to support the hospital.

320 (11) Any party to the action has the right to seek
321 judicial review of the decision in the appellate district where
322 the petition for approval was filed.

323 (a) All proceedings shall be instituted by filing a notice
324 of appeal in accordance with the Florida Rules of Appellate
325 Procedure within 30 days after the date of the final judgment.

326 (b) In such judicial review, the appellate court shall
327 affirm the decision of the circuit court, unless the decision is
328 arbitrary, capricious, or not in compliance with this section.

329 (12) All costs shall be paid by the governing board,
330 unless an interested party contests the action, in which case
331 the court may assign costs equitably to the parties.

332 (13) If any provision of subsection (6) is not followed,
333 the contract for sale or lease is voidable by any party to the
334 contract. If any member of the governing board negligently or
335 willfully violates subsection (6), as determined by the
336 Commission on Ethics after receipt of a sworn complaint pursuant

337 to s. 112.322, the member is subject to a penalty, as determined
 338 by the Commission on Ethics pursuant to s. 112.317.

339 (14)(5) If ~~In the event~~ a hospital operated by a for-
 340 profit or not-for-profit Florida entity ~~corporation~~ receives
 341 annually more than \$100,000 in revenues from the county,
 342 district, or municipality that owns the hospital, the Florida
 343 entity ~~corporation~~ must be accountable to the county, district,
 344 or municipality with respect to the manner in which the funds
 345 are expended by either:

346 (a) Having the revenues subject to annual appropriations
 347 by the county, district, or municipality; or

348 (b) Where there is a contract to provide revenues to the
 349 hospital, the term of which is longer than 12 months, the
 350 governing board of the county, district, or municipality must be
 351 able to modify the contract upon 12 months' ~~months~~ notice to the
 352 hospital.

353
 354 A not-for-profit entity ~~corporation~~ that is subject to this
 355 subsection and that does not currently comply with the
 356 accountability requirements in this subsection shall have 12
 357 months after the effective date of this act to modify any
 358 contracts with the county, district, or municipality in a manner
 359 that is consistent with this subsection.

360 (15)(6) Unless otherwise expressly stated in the lease
 361 documents, the transaction involving the sale or lease of a
 362 hospital may ~~shall~~ not be construed as:

363 (a) A transfer of a governmental function from the county,
 364 district, or municipality to the private purchaser or lessee;

365 (b) Constituting a financial interest of the public lessor
 366 in the private lessee; or

367 (c) Making a private lessee an integral part of the public
 368 lessor's decisionmaking process.

369 (16)~~(7)~~ The lessee of a hospital, under this section or
 370 any special act of the Legislature, operating under a lease may
 371 ~~shall~~ not be construed to be "acting on behalf of" the lessor as
 372 that term is used in statute, unless the lease document
 373 expressly provides to the contrary.

374 (17)~~(8)~~(a) If, whenever the sale of a public hospital by a
 375 public agency to a private ~~corporation or other private~~ entity
 376 pursuant to this section or pursuant to a special act of the
 377 Legislature reflects that:

378 1. The private ~~corporation or other private~~ entity
 379 purchaser acquires 100 percent ownership in the hospital
 380 enterprise;

381 2. The private ~~corporation or other private~~ entity
 382 purchases the physical plant of the hospital facility and has
 383 complete responsibility for the operation and maintenance of the
 384 facility, regardless of ownership of the underlying real
 385 property;

386 3. The public agency seller retains no control over
 387 decisionmaking or policymaking for the hospital;

388 4. The private ~~corporation or other private~~ entity
 389 purchaser receives no funding from the public agency seller
 390 other than by contract for services rendered to patients for
 391 whom the public agency seller has the responsibility to pay for
 392 hospital or medical care;

- 393 5. The public agency seller makes no substantial
 394 investment in or loans to the private entity;
 395 6. The private ~~corporation or other private~~ entity
 396 purchaser was not created by the public entity seller; and
 397 7. The private ~~corporation or other private~~ entity
 398 purchaser operates primarily for its own financial interests and
 399 not primarily for the interests of the public agency,

400
 401 such a sale shall be considered a complete sale of the public
 402 agency's interest in the hospital.

403 (b) A complete sale of a hospital as described in this
 404 subsection may ~~shall~~ not be construed as:

- 405 1. A transfer of a governmental function from the county,
 406 district, or municipality to the private ~~corporation or other~~
 407 ~~private~~ entity purchaser;
 408 2. Constituting a financial interest of the public agency
 409 in the private ~~corporation or other private~~ entity purchaser;
 410 3. Making the private ~~corporation or other private~~ entity
 411 purchaser an "agency" as that term is used in statutes;
 412 4. Making the private ~~corporation or other private~~ entity
 413 purchaser an integral part of the public agency's decisionmaking
 414 process; or
 415 5. Indicating that the private ~~corporation or other~~
 416 ~~private~~ entity purchaser is "acting on behalf of a public
 417 agency" as that term is used in statute.

418 (18) (a) If the governing board elects to sell or lease any
 419 physical property of a county, district, or municipal hospital
 420 and such property generated less than 20 percent of the

421 hospital's net operating revenue within most recent fiscal year,
422 the sale or lease of such property is exempt from the
423 requirements of subsections (6)-(13). However, the governing
424 board must publicly advertise the meeting at which the proposed
425 sale or lease of such property will be considered by the
426 governing board of the hospital in accordance with s. 286.0105,
427 publicly advertise the offer to accept proposals in accordance
428 with s. 255.0525, and receive proposals from all qualified
429 purchasers and lessees. The sale or lease of the property must
430 be for fair market value or, if the sale or lease of the
431 property is not for fair market value, the publication must
432 include an explanation of how the affected community is best
433 served by the transaction.

434 (b) Subsections (5)-(13) do not apply to:

435 1. A county, district, or municipal hospital that has
436 executed a letter of intent to sell or lease the hospital
437 accepted at a properly noticed public meeting and whose
438 governing board has voted to approve the letter of intent before
439 December 31, 2011, if the final closing of the sale or lease
440 transaction pursuant to the letter of intent occurs before
441 December 31, 2012.

442 2. A county, district or municipal hospital that is under
443 lease as of the effective date of this act, as long as that
444 lease remains in effect in accordance with the terms of the
445 lease or if such lease is modified, extended, or renewed. This
446 exemption includes any transaction, partnership, contract,
447 sublease, or assignment that is entered into pursuant to the
448 terms of a lease agreement in place before the effective date of

CS/CS/CS/HB 711

2012

449 this act. However, any such hospital becomes subject to this
450 section upon:

451 a. Termination of the lease, unless the lease termination
452 is the direct result of a new lease involving a partnership,
453 transaction, or contract in which both the existing lessor and
454 lessee agree to the new lease between the lessor and another
455 mutually agreed upon entity;

456 b. Notification provided to the lessee of a planned
457 termination of the lease in accordance with the lease terms,
458 unless the notification of lease termination is the direct
459 result of a new lease involving a partnership, transaction, or
460 contract under which both the existing lessor and lessee agree
461 to the new lease between the lessor and another mutually agreed
462 upon entity;

463 c. Notification to the lessee that the lessor plans to
464 seek potential new lessees or buyers; or

465 d. Notification to the lessee that the lessor plans to
466 resume operation of the hospital upon termination of the lease.

467 (c) Notwithstanding paragraph (b), a county, district, or
468 municipal hospital that has issued a request for proposals for
469 the sale or lease of a hospital on or before the effective date
470 of this act for purposes of receiving proposals from qualified
471 purchasers or lessees is not subject to subsections (5)-(14) if
472 such issuance of a request for proposals directly results in a
473 sale or lease of the hospital to a qualified purchaser or lessee
474 before December 31, 2012.

475 (19) If a county, district, or municipal hospital is sold,
476 any and all special district taxing authority associated with

477 the hospital subject to the sale shall cease on the effective
 478 date of the closing date of the sale, unless a majority of the
 479 electors of the special district voting in a referendum approve
 480 a continuation of the taxing authority. Such continuation must
 481 be at a substantially lower millage rate than is levied at the
 482 closing date of the sale.

483 Section 2. To the extent that any general or special law
 484 is inconsistent with, or otherwise in conflict with this act,
 485 such conflicting provisions are specifically superseded by this
 486 act.

487 Section 3. Section 155.41, Florida Statutes, is repealed.

488 Section 4. Section 395.3036, Florida Statutes, is amended
 489 to read:

490 395.3036 Confidentiality of records and meetings of
 491 entities ~~corporations~~ that lease public hospitals or other
 492 public health care facilities.—The records of a private entity
 493 ~~corporation~~ that leases a public hospital or other public health
 494 care facility are confidential and exempt from ~~the provisions of~~
 495 s. 119.07(1) and s. 24(a), Art. I of the State Constitution, and
 496 the meetings of the governing board of a private entity
 497 ~~corporation~~ are exempt from s. 286.011 and s. 24(b), Art. I of
 498 the State Constitution if ~~when~~ the public lessor complies with
 499 the public finance accountability provisions of s. 155.40(14)
 500 ~~155.40(5)~~ with respect to the transfer of any public funds to
 501 the private lessee and if ~~when~~ the private lessee meets at least
 502 three of the five following criteria:

503 (1) The public lessor that owns the public hospital or
 504 other public health care facility was not the incorporator or

CS/CS/CS/HB 711

2012

505 initial member of the private entity ~~corporation~~ that leases the
506 public hospital or other health care facility.

507 (2) The public lessor and the private lessee do not
508 commingle any of their funds in any account maintained by either
509 of them, other than the payment of the rent and administrative
510 fees or the transfer of funds pursuant to subsection (3) (2).

511 (3) Except as otherwise provided by law, the private
512 lessee is not allowed to participate, except as a member of the
513 public, in the decisionmaking process of the public lessor.

514 (4) The lease agreement does not expressly require the
515 lessee to comply with ~~the requirements of~~ ss. 119.07(1) and
516 286.011.

517 (5) The public lessor is not entitled to receive any
518 revenues from the lessee, except for rental or administrative
519 fees due under the lease, and the lessor is not responsible for
520 the debts or other obligations of the lessee.

521 Section 5. This act shall take effect upon becoming a law.