

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 37 specifically superseded by the act; repealing s.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; or the governing board of the hospital.

66 (d) "Net operating revenue" has the same meaning as in s.
67 395.701(1). The term does not include restricted donations and
68 grants for indigent care or nonoperating revenues, including,
69 but not limited to, local unrestricted tax revenues and
70 appropriated funds from state and local governments or any other
71 type of tax support, gain or loss from the sale of assets, or
72 unrestricted contributions.

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

82 (2)-(1) In the interest of providing quality health care
83 services to the order that citizens and residents of this the
84 state, and notwithstanding any other provision of general or

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

103 ~~(3)(2)~~ A ~~Any such~~ lease, contract, or agreement made under
 104 this section ~~pursuant hereto~~ shall:

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

109 (b) Require that any not-for-profit entity ~~corporation~~
 110 become qualified under s. 501(c) (3) of the United States
 111 Internal Revenue Code;

112 (c) Provide for the orderly transition of the operation

113 and management of the ~~such~~ facilities;

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

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

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

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

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

135 3. Conduct an operating comparison between the hospital
136 and other similarly situated hospitals. The comparison shall
137 examine both not-for-profit and for-profit hospitals that have a
138 similar service mix to determine whether there is a difference
139 in operating costs or measurable outcomes by using publicly
140 available data provided by the Agency for Health Care

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

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

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

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

169 ~~control of the hospital is transferred to the Florida~~
 170 ~~corporation.~~

171 (5)-(4) ~~If In the event~~ the governing board of a county,
 172 district, or municipal hospital determines that it is no longer
 173 in the best interest of the affected community to own or operate
 174 the hospital and elects to consider a sale or lease, the
 175 governing board must first determine whether there are any
 176 qualified purchasers or lessees. In the process of evaluating
 177 any qualified purchaser or lessee elects to sell or lease the
 178 ~~hospital,~~ the board shall:

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

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

187
 188 Any sale or lease must be for fair market value or, if not for
 189 fair market value, the lease must be in the best interest of the
 190 affected community. A and any sale or lease must comply with all
 191 applicable state and federal antitrust laws.

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

195 (a) The governing board's acceptance of a proposal for
 196 sale or lease must include a description of how the sale or

197 lease satisfies each of the following requirements:

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

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

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

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

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

224 6. The proposal is in compliance with subsections (7) and

225 (8).

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

229 1. The names and addresses of all parties to the
230 transaction.

231 2. The location of the hospital and all related
232 facilities.

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

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

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

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

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

247 (7) Within 120 days before the anticipated closing date of
248 the proposed transaction, the governing board shall make
249 publicly available all findings and documents required under
250 subsection (6) and publish a notice of the proposed transaction
251 in one or more newspapers of general circulation in the county
252 in which the majority of the physical assets of the hospital are

253 located. The notice shall include the names of the parties
254 involved and the means by which a person may submit written
255 comments about the proposed transaction to the governing board
256 and obtain copies of the findings and documents required under
257 subsection (6).

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

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

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

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

277 (c) A petition filed by the governing board shall include
278 all findings and documents required under subsection (6) and
279 certification by the governing board of compliance with all
280 requirements of this section. The chair of the governing board

281 must certify under oath and subject to the penalty of perjury on
282 a form accompanying the petition that the contents of the
283 petition and representations therein are true and correct.

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

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

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

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

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

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

304 (f) The seller or lessor documented that it will receive
305 fair market value for the sale or lease of the assets or, if
306 sold or leased at less than fair market value, the governing
307 board provided a detailed explanation of how the best interests
308 of the affected community are served by the acceptance of less

309 than fair market value for the sale or lease of the hospital.

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

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

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

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

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

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

330 (13) If any provision of subsection (6) is not followed,
331 the contract for sale or lease is voidable by any party to the
332 contract. If any member of the governing board negligently or
333 willfully violates subsection (6), as determined by the
334 Commission on Ethics after receipt of a sworn complaint pursuant
335 to s. 112.322, the member is subject to a penalty, as determined
336 by the Commission on Ethics pursuant to s. 112.317.

337 ~~(14)(5)~~ If ~~In the event~~ a hospital operated by a for-
338 profit or not-for-profit Florida entity ~~corporation~~ receives
339 annually more than \$100,000 in revenues from the county,
340 district, or municipality that owns the hospital, the Florida
341 entity ~~corporation~~ must be accountable to the county, district,
342 or municipality with respect to the manner in which the funds
343 are expended by either:

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

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

351
352 A not-for-profit entity ~~corporation~~ that is subject to this
353 subsection and that does not currently comply with the
354 accountability requirements in this subsection shall have 12
355 months after the effective date of this act to modify any
356 contracts with the county, district, or municipality in a manner
357 that is consistent with this subsection.

358 ~~(15)(6)~~ Unless otherwise expressly stated in the lease
359 documents, the transaction involving the sale or lease of a
360 hospital may ~~shall~~ not be construed as:

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

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

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

367 (16)~~(7)~~ The lessee of a hospital, under this section or
 368 any special act of the Legislature, operating under a lease may
 369 ~~shall~~ not be construed to be "acting on behalf of" the lessor as
 370 that term is used in statute, unless the lease document
 371 expressly provides to the contrary.

372 (17)~~(8)~~ (a) If, whenever the sale of a public hospital by a
 373 public agency to a private ~~corporation or other private~~ entity
 374 pursuant to this section or pursuant to a special act of the
 375 Legislature reflects that:

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

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

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

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

391 5. The public agency seller makes no substantial
 392 investment in or loans to the private entity;

393 6. The private ~~corporation or other private~~ entity
 394 purchaser was not created by the public entity seller; and

395 7. The private ~~corporation or other private~~ entity
 396 purchaser operates primarily for its own financial interests and
 397 not primarily for the interests of the public agency,

398
 399 such a sale shall be considered a complete sale of the public
 400 agency's interest in the hospital.

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

403 1. A transfer of a governmental function from the county,
 404 district, or municipality to the private ~~corporation or other~~
 405 ~~private~~ entity purchaser;

406 2. Constituting a financial interest of the public agency
 407 in the private ~~corporation or other private~~ entity purchaser;

408 3. Making the private ~~corporation or other private~~ entity
 409 purchaser an "agency" as that term is used in statutes;

410 4. Making the private ~~corporation or other private~~ entity
 411 purchaser an integral part of the public agency's decisionmaking
 412 process; or

413 5. Indicating that the private ~~corporation or other~~
 414 ~~private~~ entity purchaser is "acting on behalf of a public
 415 agency" as that term is used in statute.

416 (18) (a) If the governing board elects to sell or lease any
 417 physical property of a county, district, or municipal hospital
 418 and such property generated less than 20 percent of the
 419 hospital's net operating revenue within most recent fiscal year,
 420 the sale or lease of such property is exempt from the

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

432 (b) Subsections (4)-(13) do not apply to:

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

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

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

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

461 c. Notification to the lessee that, upon termination of
462 the lease, the lessor plans to seek potential new lessees or
463 buyers; or

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

466 (c) Notwithstanding paragraph (b), a county, district, or
467 municipal hospital that has issued a request for proposals for
468 the sale or lease of a hospital on or before the effective date
469 of this act for purposes of receiving proposals from qualified
470 purchasers or lessees is not subject to subsections (4)-(13) for
471 the duration of the procurement process.

472 (19) Upon the sale of a county, district, or municipal
473 hospital, any special district taxing authority associated with
474 the hospital ceases on the day following the next general
475 election unless:

476 (a) The special district owns other hospitals; or

477 (b) A majority of the voters in the special district, by
 478 referendum, approve a continuation of the taxing authority, at a
 479 substantially lower millage rate, as determined by the board of
 480 the special district, than is levied at the closing date of the
 481 sale. Such referendum shall be placed on the ballot at the next
 482 general election.

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

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.