1 A bill to be entitled 2 An act relating to Lee County; amending chapter 2000-3 439, Laws of Florida; providing for a special district; providing that the operation and maintenance 4 5 of certain projects, activities, and products by the 6 Lee Memorial Health System Board of Directors is a 7 public purpose; deleting a reporting requirement; 8 prohibiting the assessment and collection of ad 9 valorem taxes during specified times; revising 10 provisions relating to powers of the system board and system funds; providing general and special powers of 11 12 the Lee Memorial Health System; providing for applicability, severability, construction, and effect; 13 14 providing an effective date. 15 16 Be It Enacted by the Legislature of the State of Florida: 17 18 Sections 1, 3, 4, 5, 7, 10, 13, 16, and 18 of Section 1. 19 chapter 2000-439, Laws of Florida, are amended, and section 19 20 is added to that chapter, to read: 21 Section 1. There is created and established in Lee County a hospital district, to be known as the "Lee Memorial Health 22 23 System," which shall be an independent special taxing district 24 and political subdivision of the state and which shall consist 25 of all of Lee County as described in s. 7.36, Florida Statutes

Page 1 of 20

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2020

26	Chapter 63-1552, Laws of Florida, and amendments thereto made by
27	chapters 69-1235, 72-600, 81-420, 83-452, 83-454, 84-465, 87-
28	438, 91-410, 92-269, and 98-528, Laws of Florida; and chapter
29	78-552, Laws of Florida, are hereby repealed. Said prior acts
30	are replaced in their entirety by this act. This act shall
31	constitute a codification as required by section 189.429,
32	Florida Statutes. It is declared to be the legislative intent
33	that if any section, subsection, sentence, clause, or provision
34	of this act is found to be invalid, the remainder of the act
35	shall not be affected; and further, in order to assure the
36	uninterrupted maintenance and operation of the public health
37	care system provided for herein, that any of the prior acts set
38	forth herein, or any portion thereof, shall survive and be
39	deemed reenacted to the extent necessary to replace any section,
40	subsection, sentence, clause, or provision of this act found to
41	be invalid.
42	Section 3. The operation and maintenance of the public
43	health system, and the construction of health system facilities $\underline{,}$
44	and such other projects, activities, and products provided for
45	in this act are declared to be a public purpose.
46	Section 4. The Lee Memorial Health System Board of
47	Directors, hereinafter called the system board, is hereby
48	authorized to establish and to provide for the operation and
49	maintenance of a public health care system comprised of
50	hospitals; satellite hospitals; clinics; or other facilities
	Page 2 of 20

2020

51 devoted to the provision of health care services intended to 52 improve the physical, spiritual, emotional, or mental health of 53 those persons utilizing such services, or of services to prevent 54 sickness, injury, or disease, including those which are intended 55 to promote a healthful lifestyle, and such other facilities or 56 services as the system board shall deem appropriate to provide a 57 full range of health care services to the population the public 58 health care system may serve and to establish, fund, support, 59 organize, and participate in other health care projects, 60 activities, and products which benefit the population served by Lee Memorial Health System. The system board is authorized to 61 62 construct and equip the necessary buildings for the aforesaid purposes and to construct extensions, additions, and 63 64 improvements thereto from time to time, and to lease as lessee 65 or lessor, or purchase or sell any land or any interest in land. The system board is authorized and empowered to carry out its 66 67 functions directly or indirectly through other companies it 68 controls through joint ventures or partnerships with other 69 public or private organizations.

Section 5. In the event that it should become necessary to acquire any land for health system purposes under the authority of this act by eminent domain <u>within Lee County</u>, the proceedings therefor shall be instituted by the system board and prosecuted in the manner provided by general law.

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Section 7. The system board shall elect annually from its

Page 3 of 20

2020

76 members a chair, vice-chair, secretary, and treasurer, who shall 77 be the officers of the system board. The system board shall 78 cause true and accurate minutes and records to be kept of all 79 business transacted by the system board and shall keep full, 80 true, and complete books of accounts and records, which minutes, 81 records, and books of account and the current line item budget 82 shall at all reasonable times be open and subject to inspection 83 and copying pursuant to the provisions of the constitution and laws of Florida. All meetings of the system board shall be open 84 85 to the general public pursuant to general law. At least once a 86 year the system board shall cause the financial records and 87 accounts of the health care system to be audited by a certified 88 public accountant authorized to practice public accounting in 89 Florida and a certified public account audit report to be 90 prepared. The audit, together with a copy of the health system's 91 current annual budget, shall be filed annually with the Clerk of 92 the Circuit Court of Lee County.

93 Section 10. The Lee Memorial Health System Board of 94 Directors shall have the authority to operate and conduct the 95 business of the public health system, and, consistent therewith, 96 shall have the following powers:

97 (1) The system board is authorized to pay all expenses of
98 operation of the Lee Memorial Health System and all other
99 necessary expenses incurred, including the fees and expenses of
100 attorneys retained by the system board or the chief executive

Page 4 of 20

101 officer of the Lee Memorial Health System, in the transaction of 102 the business of the public health care system, and in carrying 103 out and accomplishing the purposes of this act.

104 The Lee Memorial Health System may sue and be sued in (2) 105 the name of Lee Memorial Health System; provided that in any 106 suit, a change in personnel of the system board shall not abate 107 the suit, which shall proceed as if such change had not taken 108 place. In all suits against the Lee Memorial Health System, 109 service of process shall be had on the chief executive officer 110 of the hospital, or in his absence on any officer of the system 111 board.

112 (3) To the fullest extent permitted by the state law, the 113 system board may create, be a voting member of, choose directors 114 to serve on the boards of, be a partner in, or participate in or 115 control, any venture, corporation, partnership, or other organization, public or private, which the system board finds 116 117 operates for the purposes consistent with, and in furtherance 118 of, the purposes and best interests of the Lee Memorial Health 119 System.

(4) The system board may make, or authorize its chief
executive officer to make, contracts of all kinds, including,
but not limited to, the sale or purchase of real property within
the boundaries of Lee County, and beyond the boundaries of Lee
<u>County as authorized in section 18</u>, and may enter into leases of
real and personal property of any kind or description, either as

Page 5 of 20

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126 lessor or lessee, within the boundaries of Lee County, and
127 beyond the boundaries of Lee County as authorized in section 18.

(5) The system board is authorized to accept gifts,bequests, grants, endowments, and conveyances from any source.

(6) The system board is authorized and empowered, in order to provide for and carry out the work of this act, to borrow money from time to time and in accordance with the constitution and law, and to issue the notes or bonds of the Lee Memorial Health System upon such terms and upon such rates of interest as the system board may deem advisable, to the fullest extent permitted by general law.

(7) The system board may enter into any and all types of
derivative agreements as may be used by prudent borrowers,
lenders, or investors, which are intended to minimize the risk
of financial loss or maximize the financial return in connection
with its bonds, notes, or investments, or for any other purpose.

142 (8) The system board may, or may authorize its chief 143 executive officer to, settle or compromise any claim, suit, or 144 action brought against the Lee Memorial Health System or any of 145 its subsidiaries, or affiliated organizations, or any of its 146 directors, officers, or employees when such claim, suit, or 147 action arises out of such directors', officers', or employees' acts or omissions in the course of employment or the performance 148 of official duties, consistent with the provisions of the 149 Florida Waiver of Sovereign Immunity Act, as such act may be in 150

Page 6 of 20

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151 effect at the time of such settlement or compromise. This 152 subsection shall not be construed as authorizing or requiring 153 any settlement in excess of those limits imposed by the 154 foregoing general act.

(9) The system board may take any other action consistent with the efficient and effective operation of the public health care system provided for by this act, consistent with the constitution and laws of Florida.

Section 13. Funds of the Lee Memorial Health System may be 159 160 paid out only upon drafts, checks, wire transfers, electronic bank transfers, or warrants signed or approved by persons duly 161 162 authorized by the system board to execute such instruments for 163 purposes consistent with this act. The system board may adopt 164 rules for the payment of lesser sums in cash, and a petty cash 165 fund or funds may be established for such purpose with the 166 maximum amount payable in cash in one transaction fixed by the 167 system chief financial executive officer. All funds of the 168 system board shall be deposited in banks which are qualified 169 under state law to accept deposits of public funds. The system 170 board may deposit or invest its surplus funds in interest-171 bearing accounts, instruments, or securities, to the fullest 172 extent permitted or authorized by general law. In addition, the system board may authorize the system chief financial officer to 173 174 invest its surplus funds as follows:

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(1) Without limitation in:

Page 7 of 20

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(a) Bonds, notes, or other obligations of the United
States or those guaranteed by the United States or for which the
credit of the United States is pledged for the payment of the
principal and interest or dividends thereof.

(b) State bonds pledging the full faith and credit of the
state and revenue bonds additionally secured by the full faith
and credit of the state.

(c) Bonds of the several counties or districts in the state containing a pledge of the full faith and credit of the county or district involved.

Savings accounts in, or certificates of deposit of, 186 (d) 187 any bank, savings bank, or savings and loan association incorporated under the laws of the United States doing business 188 189 and situated in this state, the accounts of which are insured by 190 the Federal Government or an agency thereof, in an amount that 191 does not exceed 15 percent of the net worth of the institution, 192 provided such savings accounts and certificates of deposit are 193 secured in the manner prescribed in chapter 280, Florida 194 Statutes.

(e) Obligations of the Federal Farm Credit Banks and
obligations of the Federal Home Loan Bank and its district
banks.

(f) Obligations of the Federal Home Loan MortgageCorporation including participation certificates.

200

(g) Obligations guaranteed by the Government National

Page 8 of 20

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2020

201 Mortgage Association.

(h) Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.

(i) Time drafts or bills of exchange drawn on and accepted
by a commercial bank, otherwise known as banker's acceptances,
which are accepted by a member bank of the Federal Reserve
System having total deposits of not less than \$400 million.

(j) Short-term obligations not authorized elsewhere in this section, to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.

Securities of, or other interest in, any open-end or 213 (k) 214 closed-end management type investment company or investment 215 trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided 216 217 that the portfolio of such investment company or investment 218 trust is limited to investments permitted under this act 219 obligations of the United States Government or any agency or 220 instrumentality thereof and to repurchase agreements fully 221 collateralized by such United States Government obligations and 222 provided that such investment company or investment trust takes delivery of such collateral either directly or through an 223 authorized custodian. 224

225

(2) With no more than 25 percent of its funds in:

Page 9 of 20

226 Bonds, notes, or obligations of any municipality or (a) 227 political subdivision or any agency or authority of this state, 228 if such obligations are rated in any one of the three highest 229 ratings by a two nationally recognized rating service services. 230 However, if only one nationally recognized rating service shall rate such obligations, then such rating service must have rated 231 232 such obligations in any one of the two highest classifications 233 heretofore mentioned. 234 (b) Notes secured by first mortgages on Florida real property, insured or guaranteed by the Federal Housing 235 236 Administration or the United States Department of Veterans 237 Affairs. 238 (c) Mortgage pass-through certificates, meaning 239 certificates evidencing ownership of an undivided interest in pools of conventional mortgages on real property which is 240 241 improved by a building or buildings used for residential 242 purposes for one to four families when: 243 1. Such real property is located in this state; 244 Such mortgages are originated by one or more banks or 2. 245 savings and loan associations organized under the laws of this 246 state, by national banks or federal savings and loan 247 associations having their principal place of business in this state, or by a lender that is approved by the Secretary of the 248 249 United States Department of Housing and Urban Development for 250 the participation in any mortgage insurance program under the

Page 10 of 20

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251	National Housing Act and has its principal place of business in
252	this state, or by any combination thereof; and
253	3. Such mortgages are transferred or assigned to a
254	corporate trustee acting for the benefit of the holders of such
255	certificates.
256	(d) Obligations of the Federal National Mortgage
257	Association.
258	(e) Group annuity contracts of the pension investment type
259	with insurers licensed to do business in this state, except that
260	amounts invested by the board with any one insurer shall not
261	exceed 3 percent of its assets.
262	(f) Certain interest in real property and related personal
263	property, including mortgages and related instruments on
264	commercial or industrial real property, with provisions for
265	equity or income participation or with provisions for
266	convertibility to equity ownership; and interest in collective
267	investment funds. Associated expenditures for acquisition and
268	operation of assets purchased under this provision shall be
269	included as a part of the cost of the investment.
270	1. The title to real property acquired under this
271	paragraph shall be vested in the name of the respective fund.
272	2. For purposes of taxation of property owned by any fund,
273	the provisions of section 196.199(2)(b), Florida Statutes, do
274	not apply.
275	3. Real property acquired under the provisions of this
	Page 11 of 20

Page 11 of 20

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276 paragraph shall not be considered state lands or public lands 277 and property as defined in chapter 253, Florida Statutes, and 278 the provisions of that chapter do not apply to such real 279 property.

280 (b) (g) General obligations backed by the full faith and 281 credit of a foreign government which has not defaulted on 282 similar obligations for a minimum period of 25 years <u>before</u> 283 prior to purchase of the obligation and has met its payments of 284 similar obligations when due.

285 <u>(c) (h)</u> Obligations of agencies of the government of the 286 United States, provided such obligations have been included in 287 and authorized by the Florida Retirement System Total Fund 288 Investment Plan established in section 215.475, Florida 289 Statutes.

290 (d) (i) United States dollar-denominated obligations by
 291 foreign governments, or political subdivisions or agencies
 292 thereof, or foreign corporations or foreign commercial entities.

(3) With no more than 50 percent of its funds in common stock, preferred stock, and interest-bearing obligations of a corporation having an option to convert into common stock, provided:

(a) The corporation is organized under the laws of the
United States, any state or organized territory of the United
States, or the District of Columbia.

300

(b) The corporation is listed on any one or more of the

Page 12 of 20

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304

301 recognized national stock exchanges in the United States and 302 conforms with the periodic reporting requirements under the 303 Securities Exchange Act of 1934.

305 The system board shall not invest more than 10 percent of the 306 equity assets of its funds in the common stock, preferred stock, 307 and interest-bearing obligations having an option to convert 308 into common stock, of any one issuing corporation; and the 309 system board shall not invest more than 3 percent of the equity assets of any funds in such securities of any one issuing 310 corporation except to the extent a higher percentage of the same 311 312 issue is included in a nationally recognized market index, based on market values at least as broad as the Standard and Poor's 313 314 Composite Index of 500 Companies, or except upon a specific 315 finding by the system board that such higher percentage is in 316 the best interest of the system board. The system board may only 317 sell listed options to reduce investment risks, to improve cash 318 flow, or to provide alternative means for the purchase and sale 319 of underlying investment securities. Reversing transactions may 320 be made to close out existing option positions.

(4) With no more than 80 percent of its funds, in
interest-bearing obligations with fixed maturity of any
corporation or commercial entity within the United States.

521

325 For the purpose of determining the above investment limitations,

Page 13 of 20

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2020

326 the value of bonds shall be the par value thereof, and the value 327 of evidences of ownership and interest-bearing obligations 328 having an option to convert to ownership shall be the cost 329 thereof. Investments in any securities authorized by this 330 section may be under repurchase agreements or reverse repurchase 331 agreements. Investments made by the system board may be 332 designated to maximize the financial return to the fund 333 consistent with the risks incumbent in each investment and shall 334 be designed to preserve an appropriate diversification of the 335 portfolio. The system board is authorized to buy and sell 336 futures and options, provided the instruments for such purpose 337 are traded on a securities exchange or board of trade regulated 338 by the Securities and Exchange Commission or the Commodity 339 Futures Trading Commission, unless the system board by rule 340 authorizes a different market. The system board is authorized to 341 invest in domestic or foreign national principal contracts. 342 Section 16. When any bonds have been issued pursuant to 343 section 15 hereof, there shall be levied and assessed annually, 344 so long as any of said bonds or the interest thereon remain

345 unpaid, an ad valorem tax upon all taxable property, not exempt 346 by law, in Lee County, which tax shall be sufficient in amount 347 to pay the interest on said bonds as it becomes due and the 348 principal thereof at maturity. Such tax shall be levied, 349 assessed, and collected by the same officers and in the same 350 manner as other county ad valorem taxes are levied, assessed,

Page 14 of 20

351 and collected. However, the power to assess and collect ad 352 valorem taxes annually pursuant to this section is suspended and 353 may not be exercised during any period when the Lee Memorial 354 Health System engages in any activity authorized by section 4 355 beyond the boundaries of Lee County. 356 Section 18. Lee Memorial Health System is authorized to 357 engage in any activity authorized by section 4 beyond the 358 boundaries of Lee County only as provided in this section. (1) 359 Notwithstanding any other provision of this act to the 360 contrary, within Charlotte, Collier, DeSoto, Glades, Hendry, and 361 Sarasota Counties, Lee Memorial Health System is authorized to 362 engage in any activity authorized by section 4, subject to the 363 provisions of sections 408.031-408.0455, Florida Statutes. 364 (2) Lee Memorial Health System is prohibited from 365 exercising any power under this act beyond the boundaries of Lee 366 County during any period the system board exercises the powers 367 to issue general obligation bonds under section 15 and to assess 368 and collect ad valorem taxes under section 16. In the event that 369 the system board exercises the bonding powers of section 15, all 370 powers to engage in any activity authorized by section 4 beyond the boundaries of Lee County is null and void shall be entitled 371 372 to a lien for all reasonable charges for hospital, physician, 373 and other health care services provided by the Lee Memorial Health System to ill or injured persons, upon the proceeds of 374 375 all causes of action, suits, claims, counterclaims, and demands

Page 15 of 20

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376 accruing to said persons or to their legal representatives, and 377 upon all judgments, settlements, and settlement agreements 378 rendered or entered into by virtue thereof, on account of 379 injuries giving rise to such causes of action, suits, claims, 380 counterclaims, demands, judgments, settlements, or settlement 381 agreements, which injuries shall have necessitated such 382 hospital, physician, and other services provided to such ill or 383 injured persons. Lee Memorial Health System shall perfect and be 384 entitled to enforce such lien as follows: 385 In order to perfect the lien provided for herein, (1)-the 386 Lee Memorial Health System chief executive officer or an 387 employee or employees of the Lee Memorial Health System 388 authorized by the chief executive officer shall, before or 389 within 10 days after such ill or injured person shall have been 390 discharged from a Lee Memorial Health System hospital, file in 391 the office of the Lee County Clerk of Circuit Court, a verified 392 written notice of lien setting forth the name and address of the 393 ill or injured person as they may appear in the records of said 394 health system hospital, the name and location of said hospital, 395 the name and address of the employee or other authorized person 396 preparing the notice of lien, the date of admission to said hospital and the date of discharge from said hospital, the 397 398 amount claimed to be due for hospital, physician, and other 399 services provided, and to the best knowledge of the person 400 preparing the notice of lien, the names and addresses of

Page 16 of 20

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401 persons, firms, or corporations who may be claimed by such ill 402 or injured person or by the legal representative of such person, 403 to be liable on account of such illness or injuries. When the 404 notice of lien is filed, a copy thereof shall be sent by United 405 States Postal Service to the ill or injured person, to said 406 person's attorney, if known, and to all persons, firms, or 407 corporations named in such notice of lien. The filing and 408 mailing of the notice of lien in accordance with this section 409 shall be notice thereof to all persons, firms, or corporations who may be liable on account of such illness or injuries, and to 410 411 any other persons, firms, or corporations that may have an 412 interest in the aforesaid causes of action, suits, claims, 413 counterclaims, demands, judgments, settlements, or settlement 414 agreements, whether or not they are named in the notice of lien, 415 and whether or not a copy of the notice of lien shall have been 416 received by them. 417 (2) The Lee County Clerk of Circuit Court shall endorse on 418 the written notice of lien the date and hour of filing and shall 419 record said notice of lien in the Official Records of Lee 420 County. The Clerk of Circuit Court shall be entitled to a fee 421 from the Lee Memorial Health System for filing and recording the 422 notice of lien that shall be the same fee as provided by general 423 law for the filing and recording of other instruments.

424 (3) No release or satisfaction of any cause of action,
 425 suit, claim, counterclaim, demand, judgment, settlement, or

Page 17 of 20

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2020

426 settlement agreement shall be valid or effectual as against the 427 lien of Lee Memorial Health System unless the lienholder shall 428 join therein or execute a release of its lien prior to the 429 payment of any proceeds thereof. Any acceptance of a release 430 satisfaction of any cause of action, suit, claim, counterclaim, 431 demand, judgment, settlement, or settlement agreement in the 432 absence of a release or satisfaction of the lien of Lee Memorial 433 Health System shall prima facie constitute an impairment of such lien and the lienholder shall be entitled to a cause of 434 435 for damages against any and all persons, firms, or -corporations 436 giving or accepting such release or satisfaction, or paying or 437 accepting the proceeds from the same. In such action, Lee 438 Memorial Health System may recover the full amount of its 439 charges for such hospital, physician, or other health care 440 services; regardless of the amount of proceeds paid or received 441 in impairment of its lien. Satisfaction of a judgment rendered 442 in favor of Lee Memorial Health System in such action shall 443 operate as a satisfaction of the lien. The action by the 444 lienholder shall be brought in the court in Lee County having 445 jurisdiction of the amount of the lienholder's claim. If Lee 446 Memorial Health System shall prevail in such action, it shall be 447 entitled to recover from the defendant or defendants, in addition to costs otherwise allowable by law, all reasonable 448 449 attorney fees and expenses. 450 (4) No person shall be entitled to recover

Page 18 of 20

451 damages based on the expense of hospital, physician, or other 452 health care services provided by Lee Memorial Health System 453 unless that person shall affirmatively show that Lee Memorial 454 Health System's charges have been paid. Provided, however, that in any action, suit, or counterclaim brought on account of 455 456 illness or injury, the plaintiff or counterclaimant may include 457 as an item of damages the expense of such hospital, physician, 458 or other health care services provided by Lee Memorial Health 459 System, if prior to trial he or she shall have notified Lee 460 Memorial Health System in writing of the pendency of such 461 action, suit, or counterclaim; whereupon the lienholder shall 462 have the right, without leave of court, to intervene in the case 463 and prove the amount of its charges for such hospital, 464 physician, or other health care services. Any judgment rendered 465 in favor of the plaintiff or counterclaimant shall provide that 466 the amount proved by the lienholder to be due shall be deducted 467 from the damages awarded and paid to the Lee Memorial Health 468 System. 469 The provisions of this section shall not be applicable (5)470 to accidents or injuries within the purview of the workers' 471 compensation laws of Florida. 472 Section 19. Lee Memorial Health System shall have and exercise all powers necessary, incidental, or convenient to 473 474 carry out and effectuate this act. 475 Section 2. If any section, paragraph, sentence, clause,

Page 19 of 20

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476	phrase, or other part of this act is declared unconstitutional,
477	or if this act is declared inapplicable in any case, such
478	declaration does not affect the remainder of the act or the
479	applicability of the act in any other case.
480	Section 3. In the event of a conflict of this act with any
481	other act, this act shall control to the extent of such
482	conflict.
483	Section 4. This act shall take effect upon becoming a law.

Page 20 of 20