



711064

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/02/2022	.	
	.	
	.	
	.	

---

The Committee on Community Affairs (Gruters) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 189.0762, Florida Statutes, is created  
to read:

189.0762 Conversion of an independent hospital district to  
a nonprofit entity.-

(1) For purposes of this section, the term:

(a) "Independent hospital district" means an entity created



711064

11 pursuant to a special act which operates one or more hospitals  
12 licensed under chapter 395 and which is governed by the  
13 governing body of a special district or by the board of trustees  
14 of a public health trust created under s. 154.07.

15 (b) "Nonprofit entity" means a Florida not-for-profit  
16 corporation operating under chapter 617.

17 (2) The governing body of an independent hospital district  
18 may elect, by a majority vote plus one, to commence an  
19 evaluation of the benefits to the residents of converting the  
20 independent hospital district to a nonprofit entity if the  
21 governing body of such district and each county within which any  
22 part of the district's boundaries are located execute an  
23 agreement that meets the requirements of subsection (4). In  
24 evaluating the benefits of converting the independent hospital  
25 district to a nonprofit entity, the governing body of the  
26 district must:

27 (a) Publish notice of and conduct a public hearing in  
28 accordance with s. 189.015(1) to provide the residents of such  
29 district the opportunity to publicly testify regarding the  
30 conversion of the independent hospital district. The public  
31 hearing must be held at a meeting other than a regularly noticed  
32 meeting of the independent hospital district or an emergency  
33 meeting of such district.

34 (b) Contract with an independent entity that has at least 5  
35 years of experience conducting comparable evaluations of  
36 hospital organizations similar in size and function to the  
37 independent hospital district to conduct the evaluation  
38 according to applicable industry best practices. The independent  
39 entity may not have any affiliation with or financial



711064

40 involvement in the district or with any member of the governing  
41 body of such district.

42 (c) Publish all documents considered by the governing body  
43 of the independent hospital district on the website of the  
44 district.

45 (3) The evaluation must be completed and the final report  
46 presented to the governing body of the independent hospital  
47 district no later than 180 days after the date of the vote taken  
48 by the governing body of such district to evaluate the  
49 conversion. The final report must be published on the website of  
50 the independent hospital district. The final report must include  
51 a statement signed by the presiding officer of the governing  
52 board of the independent hospital district and the chief  
53 executive officer of the independent entity conducting the  
54 evaluation that, upon each person's reasonable knowledge and  
55 belief, the contents and conclusions of the evaluation are true  
56 and correct.

57 (4) No later than 120 days after the date the governing  
58 body of the independent hospital district received the final  
59 report, the governing body of such district must determine, by  
60 majority vote plus one, whether the interests of the residents  
61 of the district are best served by converting the independent  
62 hospital district to a nonprofit entity. If the governing body  
63 of the independent hospital district determines conversion is in  
64 the best interest of the district, the independent hospital  
65 district must negotiate and complete an agreement with the board  
66 of county commissioners for each county in which any part of the  
67 district boundaries are located before conversion may occur.

68 (5) An agreement between the governing body of the



711064

69 independent hospital district and each county in which any part  
70 of the district boundary is located must be completed no later  
71 than 120 days after the date of the public meeting at which the  
72 governing body of such district determines conversion of the  
73 independent hospital district is in the best interest of its  
74 residents. The agreement must be in writing, dispose of all  
75 assets and liabilities of the independent hospital district, and  
76 include:

77 (a) A description of each asset that will be transferred to  
78 each county.

79 (b) A description of each liability that will be  
80 transferred to each county.

81 (c) The estimated total value of the assets that will be  
82 transferred to each county.

83 (d) The estimated total value of the liabilities that will  
84 be transferred to each county.

85 (e) If the agreement is with more than one county, a  
86 description of the methodology used to allocate the assets and  
87 liabilities of the district between the counties.

88 (f) A description of all assets that will be transferred to  
89 the succeeding nonprofit entity.

90 (g) A description of all liabilities that will be assumed  
91 by the succeeding nonprofit entity.

92 (h) The estimated total value of the assets that will be  
93 transferred to the succeeding nonprofit entity.

94 (i) The total value of the liabilities to be assumed by the  
95 succeeding nonprofit entity.

96 (j) If any debts remain, how those debts will be resolved.

97 (k) An enforceable commitment that programs and services



711064

98 provided by the district will continue to be provided to all  
99 residents of the former district in perpetuity so long as the  
100 nonprofit entity is in operation, or if otherwise agreed to  
101 between the independent hospital district and the county or  
102 counties party to the agreement, until the nonprofit entity has  
103 otherwise met all obligations set forth in the agreement.

104 (l) A provision transferring the rights and obligations as  
105 agreed to between the governing body of the independent hospital  
106 district and the county or counties to the successor nonprofit  
107 entity.

108 (m) Any other terms mutually agreed to between the  
109 governing body of the independent hospital district and the  
110 county or counties.

111 (6) (a) No member of the board of county commissioners for  
112 any county that is a party to the agreement may serve on the  
113 board of the successor nonprofit entity.

114 (b) Members of the governing body of the independent  
115 hospital district may serve on the board of the successor  
116 nonprofit entity.

117 (7) The members of the governing body of the independent  
118 hospital district and of the board of county commissioners in  
119 each county party to the agreement must disclose all conflicts  
120 of interest as required by s. 112.313, including, but not  
121 limited to:

122 (a) Whether the conversion of the independent hospital  
123 district will result in a special private gain or loss to any  
124 member of the governing body of the independent hospital  
125 district or boards of county commissioners or to any senior  
126 executives of the independent hospital district.



711064

127       (b) If any member of the governing body of the independent  
128 hospital district will serve on the board of the successor  
129 nonprofit entity. Such intent to serve on the board of the  
130 successor nonprofit entity does not disqualify any member from  
131 voting on the proposed conversion.

132       (8) The evaluation, agreements, disclosures, and any other  
133 supporting documents related to the conversion of the  
134 independent hospital district must be published on the website  
135 of the independent hospital district and each county that is a  
136 party to the agreement for 20 days before the governing body of  
137 the independent hospital district and the board of county  
138 commissioners for each county may vote on the proposed  
139 conversion.

140       (9) (a) In a public meeting noticed as required by  
141 subsection (2), the governing body of the independent hospital  
142 district may approve, by majority vote plus one, the conversion  
143 of such district to a nonprofit entity and any agreements  
144 related to the conversion.

145       (b) The agreement negotiated under this section must be  
146 approved by each board of county commissioners for each affected  
147 county in a properly noticed public meeting.

148       (c) If the governing body of the independent hospital  
149 district and the board of county commissioners for each affected  
150 county approve the proposed agreement, a referendum of the  
151 qualified voters of the district must be conducted at the next  
152 general election as required under s. 100.031 for independent  
153 hospital districts that exercise ad valorem taxing powers. A  
154 referendum is not required for independent hospital districts  
155 that do not exercise ad valorem taxing powers.



711064

156 (d) If approved by the qualified electors of the  
157 independent hospital district voting in a referendum conducted  
158 in accordance with paragraph (c), the agreement between the  
159 independent hospital district and each board of county  
160 commissioners for each affected county shall go into full force  
161 and effect. The independent hospital district shall file a copy  
162 of the agreement with the department no later than 10 days after  
163 the date of the referendum approving the agreement and  
164 conversion.

165 (10) No later than 30 days after the complete transfer of  
166 assets and liabilities as provided in the agreement, the  
167 independent hospital district shall notify the department. The  
168 district shall be dissolved automatically upon receipt of the  
169 notice by the department.

170 (11) If the governing body of the independent hospital  
171 district and the board of county commissioners of each affected  
172 county are unable to reach an agreement that would result in the  
173 conversion of the independent hospital district to a nonprofit  
174 entity, the district shall continue to exist.

175 Section 2. This act shall take effect July 1, 2022.

177 ===== T I T L E A M E N D M E N T =====

178 And the title is amended as follows:

179 Delete everything before the enacting clause  
180 and insert:

181 A bill to be entitled  
182 An act relating to independent hospital districts;  
183 creating s. 189.0762, F.S.; defining the terms  
184 "independent hospital district" and "nonprofit



711064

185 entity"; authorizing the governing body of an  
186 independent hospital district to evaluate certain  
187 benefits of the potential conversion of the  
188 independent hospital district to a nonprofit entity  
189 under certain circumstances; specifying requirements  
190 for such evaluations; requiring that the evaluation be  
191 completed and the final report be presented to the  
192 governing body within a specified timeframe; requiring  
193 the report to be published on the independent hospital  
194 district's website; providing requirements for the  
195 report; requiring the governing body to make certain  
196 determinations within a specified timeframe; requiring  
197 the governing body to negotiate and complete an  
198 agreement with the board of county commissioners for  
199 each affected county before converting the independent  
200 hospital district to a nonprofit entity; requiring  
201 that such agreements be entered into within a  
202 specified timeframe; providing requirements for such  
203 agreements; prohibiting members of the board of county  
204 commissioners for counties party to such agreements  
205 from serving on the board of the successor nonprofit  
206 entity; allowing members of the governing body of the  
207 independent hospital district to serve on the board of  
208 the successor nonprofit entity; requiring members of  
209 the governing body and each board of county  
210 commissioners party to the agreement to disclose all  
211 conflicts of interest; requiring the evaluation, all  
212 agreements and disclosures, and any other supporting  
213 documents related to the conversion to be published on





711064

214 the websites of the independent hospital district and  
215 each county that is party to the agreement for a  
216 specified timeframe before each county may vote on the  
217 proposed conversion; providing for the conversion of  
218 the independent hospital district to a nonprofit  
219 entity; providing public meeting requirements;  
220 requiring the independent hospital district to notify  
221 the Department of Health of the transfer of assets and  
222 liabilities to the nonprofit entity within a specified  
223 timeframe; providing for dissolution of the district  
224 upon the department's receipt of such notification;  
225 providing that an independent hospital district  
226 continues to exist if the governing body and the board  
227 of county commissioners for each affected county are  
228 unable to reach an agreement; providing an effective  
229 date.