

1 A bill to be entitled
2 An act relating to independent hospital districts;
3 creating s. 189.0762, F.S.; providing definitions;
4 providing requirements for the conversion of an
5 independent hospital district to a nonprofit entity;
6 requiring a certain evaluation by an independent
7 entity; providing qualifications for such independent
8 entity; providing for notice of public meetings and
9 publication of certain documents; requiring that the
10 evaluation of the conversion be completed and a final
11 report presented to the governing body of the district
12 within a specified timeframe; requiring that the final
13 report be published on the district's website;
14 requiring certification of the final report; requiring
15 the governing body of the district to determine by a
16 supermajority vote whether conversion is in the best
17 interests of its residents within a specified
18 timeframe; providing for negotiation of an agreement
19 between each affected county and the independent
20 hospital district; providing requirements for such
21 agreement; providing for disposition of all assets and
22 liabilities of the district; prohibiting members of
23 the board of commissioners for an affected county from
24 serving on the board of the succeeding nonprofit
25 entity; authorizing members of the governing body of

26 | the independent hospital district to serve on the
 27 | board of the succeeding nonprofit entity; requiring
 28 | disclosure of all conflicts of interest; requiring
 29 | certain documents to be published on the websites of
 30 | the district and each county that is a party to the
 31 | agreement for a specified timeframe; authorizing the
 32 | governing body of the independent hospital district to
 33 | approve by supermajority vote the conversion of the
 34 | district to a nonprofit entity; requiring each board
 35 | of commissioners for each affected county to approve
 36 | the agreement at a public meeting; requiring a
 37 | referendum under certain circumstances; requiring the
 38 | independent hospital district to file a copy of the
 39 | agreement with and provide certain notification to the
 40 | Department of Commerce within a specified timeframe;
 41 | providing for dissolution of the district within a
 42 | specified timeframe; requiring independent hospital
 43 | districts to conduct an evaluation for certain
 44 | purposes; providing an exception; providing evaluation
 45 | requirements; providing an effective date.

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 47 | Be It Enacted by the Legislature of the State of Florida:

48 |
 49 | Section 1. Section 189.0762, Florida Statutes, is created
 50 | to read:

51 189.0762 Conversion of an independent hospital district to
 52 a nonprofit entity.—

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

54 (a) "Independent hospital district" means an entity
 55 created pursuant to a special act which operates one or more
 56 hospitals licensed under chapter 395 and is governed by the
 57 governing body of a special district or by the board of trustees
 58 of a public health trust created under s. 154.07.

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

61 (2) The governing body of an independent hospital district
 62 may elect, by a majority vote plus one, to commence an
 63 evaluation of the benefits to the residents of the district of
 64 converting the independent hospital district to a nonprofit
 65 entity if the governing body of the district and each county
 66 within which any part of the district's boundaries are located
 67 execute an agreement that meets the requirements of subsection
 68 (5). In evaluating the benefits of converting the independent
 69 hospital district to a nonprofit entity, the governing body of
 70 the district must:

71 (a) Publish notice of and conduct a public meeting in
 72 accordance with s. 189.015(1) to provide the residents of the
 73 district with the opportunity to publicly testify regarding the
 74 conversion. The public hearing must be held at a meeting other
 75 than a regularly noticed meeting or an emergency meeting of the

76 independent hospital district.

77 (b) Contract with an independent entity that has at least
78 5 years of experience conducting comparable evaluations of
79 hospital organizations similar in size and function to the
80 independent hospital district to conduct the evaluation
81 according to applicable industry best practices. The independent
82 entity may not have any affiliation with or financial
83 involvement in the district or with any member of the governing
84 body of the district.

85 (c) Publish all documents considered by the governing body
86 of the independent hospital district on the website of the
87 district.

88 (3) The evaluation must be completed and a final report
89 presented to the governing body of the independent hospital
90 district no later than 180 days after the date on which the vote
91 is taken by the governing body of the district to evaluate the
92 conversion. The final report shall be published on the
93 district's website. The final report must include a statement
94 signed by the presiding officer of the governing board of the
95 independent hospital district and the chief executive officer of
96 the independent entity conducting the evaluation that, based on
97 each person's reasonable knowledge and belief, the contents and
98 conclusions of the evaluation are true and correct.

99 (4) No later than 120 days after the date on which the
100 governing body of the independent hospital district receives the

101 final report, the governing body of the district must determine,
102 by a majority vote plus one, whether the interests of the
103 residents of the district are best served by converting the
104 independent hospital district to a nonprofit entity. If the
105 governing body of the district determines conversion is in the
106 best interests of its residents, the independent hospital
107 district must negotiate and complete an agreement with the board
108 of county commissioners for each county in which any part of the
109 district's boundaries are located before conversion may occur.

110 (5) An agreement between the governing body of the
111 independent hospital district and each county in which any part
112 of the district's boundaries are located must be completed no
113 later than 120 days after the date on which the public meeting
114 is held to determine if conversion of the district is in the
115 best interests of its residents. The agreement must be in
116 writing, dispose of all assets and liabilities of the
117 independent hospital district, and include:

118 (a) A description of each asset that will be transferred
119 to each county.

120 (b) A description of each liability that will be
121 transferred to each county.

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

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

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

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

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

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

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

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

138 (k) An enforceable commitment that programs and services
139 provided by the district will continue to be provided to all
140 residents of the former district in perpetuity so long as the
141 succeeding nonprofit entity is in operation or, if otherwise
142 agreed to by the independent hospital district and each county
143 that is a party to the agreement, until the succeeding nonprofit
144 entity has otherwise met all obligations set forth in the
145 agreement.

146 (l) A provision transferring the rights and obligations as
147 agreed to by the governing body of the independent hospital
148 district and each county that is a party to the agreement to the
149 succeeding nonprofit entity.

150 (m) Any other terms mutually agreed to by the governing

151 body of the independent hospital district and each county that
152 is a party to the agreement.

153 (6) (a) A member of the board of commissioners for any
154 county that is a party to the agreement may not serve on the
155 board of the succeeding nonprofit entity.

156 (b) A member of the governing body of the independent
157 hospital district may serve on the board of the succeeding
158 nonprofit entity.

159 (7) The members of the governing body of the independent
160 hospital district and the board of commissioners for each county
161 that is a party to the agreement must disclose all conflicts of
162 interest as required by s. 112.313, including, but not limited
163 to:

164 (a) Whether the conversion of the independent hospital
165 district will result in a special private gain or loss to any
166 member of the governing body of the independent hospital
167 district or boards of commissioners for the affected counties or
168 to any senior executive of the independent hospital district.

169 (b) If any member of the governing body of the independent
170 hospital district will serve on the board of the succeeding
171 nonprofit entity. Such intent to serve on the board of the
172 succeeding nonprofit entity does not disqualify any member from
173 voting on the proposed conversion.

174 (8) The evaluation, agreements, disclosures, and any other
175 supporting documents related to the conversion of the

176 independent hospital district must be published on the
177 district's website and the website of each county that is a
178 party to the agreement under subsection (5) for 45 days before
179 the governing body of the independent hospital district and the
180 board of commissioners for each county that is a party to the
181 agreement may vote on the proposed conversion.

182 (9)(a) In a public meeting noticed as required pursuant to
183 subsection (2), the governing body of the independent hospital
184 district may approve, by a majority vote plus one, the
185 conversion of the district to a nonprofit entity and any
186 agreements related to the conversion.

187 (b) The agreement negotiated under subsection (5) must be
188 approved by each board of commissioners for each affected county
189 in a properly noticed public meeting.

190 (c) If the governing body of the independent hospital
191 district and the board of commissioners for each affected county
192 approve the proposed agreement, and the district exercises ad
193 valorem taxing powers, a referendum of the qualified electors of
194 the district must be conducted at the next general election as
195 required pursuant to s. 100.031. A referendum is not required
196 for independent hospital districts that have not levied,
197 collected, or received ad valorem taxes in the current fiscal
198 year and the previous 5 fiscal years.

199 (d) If approved by the qualified electors of the
200 independent hospital district voting in a referendum conducted

201 in accordance with paragraph (c), the agreement between the
 202 independent hospital district and the board of commissioners for
 203 each affected county shall be in full force and effect. The
 204 independent hospital district shall file a copy of the agreement
 205 with the department no later than 10 days after the date on
 206 which the referendum approving the agreement and conversion
 207 occurs.

208 (10) No later than 30 days after the complete transfer of
 209 assets and liabilities as provided in the agreement under
 210 subsection (5), the independent hospital district shall notify
 211 the department. The district shall be dissolved automatically
 212 upon receipt of the notice by the department.

213 (11) If the governing body of the independent hospital
 214 district and the board of commissioners for each county that is
 215 a party to the agreement are unable to reach an agreement that
 216 would result in the conversion of the independent hospital
 217 district to a nonprofit entity, the district shall continue in
 218 existence.

219 Section 2. (1) Each independent hospital district, as
 220 defined in s. 189.0762(1), Florida Statutes, shall cause to be
 221 conducted an evaluation of the benefits to the residents of the
 222 district of converting the independent hospital district to a
 223 nonprofit entity as defined in s. 189.0762(1), Florida Statutes,
 224 or transacting a sale to a for-profit entity, including, but not
 225 limited to, a complete financial valuation of the assets and

226 liabilities of the independent hospital district. However, a
227 district that has conducted an evaluation within the last 10
228 years or is currently conducting an evaluation is not required
229 to conduct an evaluation pursuant to this section.

230 (2) The evaluation must be conducted by an independent
231 entity that has at least 5 years of experience conducting
232 comparable evaluations of hospital organizations similar in size
233 and function to the independent hospital district and that has
234 no affiliation with or financial involvement in the district or
235 with any member of the governing body of the district. The
236 independent entity must conduct the evaluation according to
237 applicable industry best practices.

238 (3) The evaluation must include a statement signed by the
239 chief executive of the district that, upon his or her reasonable
240 knowledge and belief, the evaluation is true and correct.

241 (4) The financial valuation must be conducted by an
242 independent certified public accountant and must include a
243 statement signed by the accountant that, upon his or her
244 reasonable knowledge and belief, the valuation is true and
245 correct.

246 (5) Each district shall complete its evaluation by
247 December 31, 2024, and publish the evaluation on its website
248 within 30 days after completion.

249 Section 3. This act shall take effect July 1, 2024.