

By the Committee on Health Policy; and Senator Martin

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1 A bill to be entitled
2 An act relating to health facilities authorities;
3 amending s. 154.205, F.S.; revising the definition of
4 the term "health facility" to include other entities
5 and associations organized not for profit; amending s.
6 154.209, F.S.; revising the powers of health
7 facilities authorities to include the power to issue
8 certain loans and execute related loan agreements;
9 amending s. 154.213, F.S.; specifying requirements for
10 projects financed by loan agreements issued by a
11 health facilities authority; specifying provisions
12 that may be included in such loan agreements; amending
13 ss. 154.219, 154.221, 154.225, 154.235, and 154.247,
14 F.S.; conforming provisions to changes made by the
15 act; providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Subsection (8) of section 154.205, Florida
20 Statutes, is amended to read:

21 154.205 Definitions.—The following terms, whenever used in
22 this part, shall have the following meanings unless a different
23 meaning clearly appears from the context:

24 (8) "Health facility" means any private corporation or
25 other entity or association organized not for profit, including,
26 but not limited to, a limited liability company that is
27 organized as a not-for-profit organization and controlled
28 directly or indirectly by one or more not-for-profit
29 organizations, and authorized by law to provide:

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- 30 (a) Hospital services in accordance with chapter 395;
31 (b) Nursing home care services in accordance with chapter
32 400;
33 (c) Life care services in accordance with chapter 651;
34 (d) Services for the developmentally disabled under chapter
35 393;
36 (e) Services for the mentally ill under chapter 394;
37 (f) Assisted living services in accordance with chapter
38 429; or
39 (g) Hospice services in accordance with chapter 400.

40
41 The term also includes any private corporation or other entity
42 or association organized not for profit which offers independent
43 living facilities and services as part of a retirement community
44 that provides nursing home care services or assisted living
45 services on the same campus.

46 Section 2. Present subsection (19) of section 154.209,
47 Florida Statutes, is redesignated as subsection (21), a new
48 subsection (19) and subsection (20) are added to that section,
49 and subsections (6), (8), (9), (13), and (18) of that section
50 are amended, to read:

51 154.209 Powers of authority.—The purpose of the authority
52 shall be to assist health facilities in the acquisition,
53 construction, financing, and refinancing of projects in any
54 incorporated or unincorporated area within the geographical
55 limits of the local agency. For this purpose, the authority is
56 authorized and empowered:

- 57 (6) To make and execute agreements of lease, contracts,
58 deeds, loan agreements, mortgages, notes, and other instruments

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59 necessary or convenient in the exercise of its powers and
60 functions under this part.

61 (8) To pledge or assign any money, rents, loan payments,
62 charges, fees, or other revenues and any proceeds derived from
63 sales of property, insurance, or condemnation awards.

64 (9) To fix, charge, and collect rents, loan payments, fees,
65 and charges for the use of any project.

66 (13) To acquire existing projects and to refund outstanding
67 bonds, obligations, mortgages, or advances issued, made, or
68 given by or on behalf of a health facility for the cost of such
69 project.

70 (18) To participate in and issue bonds and other forms of
71 indebtedness for the purpose of establishing and maintaining an
72 accounts receivable program on behalf of a health facility or
73 group of health facilities. Notwithstanding any other provisions
74 of this part, the structuring and financing of an accounts
75 receivable program pursuant to this subsection shall constitute
76 a project and may be structured for the benefit of health
77 facilities within or outside the geographical limits of the
78 local agency. An accounts receivable program may include the
79 financing of accounts receivable acquired by a health facility
80 from other not-for-profit health care organizations
81 ~~corporations,~~ whether or not controlled by or affiliated with
82 the health facility and regardless of location within or outside
83 the geographical limits of this state.

84 (19) To make mortgage or other secured or unsecured loans
85 to or for the benefit of any health facility for the cost of a
86 project in accordance with an agreement between the authority
87 and the health facility. Such loans may be made to any entity

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88 affiliated with a health facility that undertakes such
89 financing, if the proceeds of such loan are made available to or
90 applied for the benefit of such health facility.

91 (20) To make mortgage or other secured or unsecured loans
92 to or for the benefit of a health facility in accordance with an
93 agreement between the authority and the health facility to
94 refund or refinance outstanding bonds, obligations, loans,
95 indebtedness, or advances issued, made, given, or incurred by or
96 for the benefit of such health facility for the cost of a
97 project. Such loans may be made to any entity affiliated with a
98 health facility that undertakes such refunding or refinancing,
99 if the proceeds of such loan are made available to or applied
100 for the benefit of such health facility.

101 Section 3. Section 154.213, Florida Statutes, is amended to
102 read:

103 154.213 Agreements of lease; loan agreements.—In
104 undertaking any project pursuant to this part, the authority
105 shall first obtain a valid certificate of need evidencing need
106 for the project and a statement that the project serves a public
107 purpose by advancing the commerce, welfare, and prosperity of
108 the local agency and its people. A ~~No~~ project financed under ~~the~~
109 ~~provisions of this part may not shall~~ be operated by the
110 authority or any other governmental agency; however, the
111 authority may temporarily operate or cause to be operated all or
112 any part of a project to protect its interest therein pending
113 any leasing of such project in accordance with ~~the provisions of~~
114 this part. The authority may lease a project or projects to a
115 health facility for operation and maintenance in such manner as
116 to effectuate the purposes of this part under an agreement of

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117 lease in form and substance not inconsistent herewith. Projects
118 financed or refinanced by the authority with the proceeds of
119 bonds issued for the benefit of a health facility pursuant to s.
120 154.209(19) or (20) shall be governed by one or more loan
121 agreements made between the authority and a health facility, or
122 between the authority and an entity affiliated with a health
123 facility that undertakes such financing, if the proceeds of such
124 loan are made available to or applied for the benefit of such
125 health facility.

126 (1) Any such agreement of lease or loan agreement may
127 provide, among other provisions, that:

128 (a) The lessee under an agreement of lease or an obligor
129 under a loan agreement shall at its own expense operate, repair,
130 and maintain the project or projects financed or refinanced
131 ~~leased~~ thereunder.

132 (b) The rent payable under the agreement of lease or the
133 loan payments made pursuant to the loan agreement shall in the
134 aggregate be not less than an amount sufficient to pay all of
135 the interest, principal, and redemption premiums, if any, on the
136 bonds that are ~~shall be~~ issued by the authority to pay the cost
137 of the project or projects financed or refinanced ~~leased~~
138 thereunder.

139 (c) The lessee under an agreement of lease or the obligor
140 under a loan agreement shall pay all costs incurred by the
141 authority in connection with the acquisition, financing,
142 construction, and administration of the project or projects
143 financed or refinanced ~~leased~~, except as may be paid out of the
144 proceeds of bonds or otherwise, including, but not ~~without being~~
145 limited to, + insurance costs, the cost of administering the bond

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146 resolution authorizing such bonds and any trust agreement
147 securing the bonds, and the fees and expenses of trustees,
148 paying agents, attorneys, consultants, and others.

149 (d) The terms of the agreement of lease or loan agreement
150 shall terminate not earlier than the date on which all such
151 bonds and all other obligations incurred by the authority in
152 connection with the project or projects financed or refinanced
153 ~~leased~~ thereunder are ~~shall be~~ paid in full, including interest,
154 principal, and redemption premiums, if any, or adequate funds
155 for such payment are ~~shall be~~ deposited in trust.

156 (e) The lessee's obligation to pay rent under the agreement
157 of lease and the obligor's obligation to make loan payments
158 under a loan agreement may ~~shall~~ not be subject to cancellation,
159 termination, or abatement by the lessee or the obligor until
160 such payment of the bonds or provision for such payment is ~~shall~~
161 ~~be~~ made.

162 (2) Such agreement of lease or loan agreement may contain
163 such additional provisions as in the determination of the
164 authority are necessary or convenient to effectuate the purposes
165 of this part, including provisions for extensions of the term
166 and renewals of the lease or loan agreement and vesting in the
167 lessee an option to purchase the project leased thereunder
168 pursuant to such terms and conditions consistent with this part
169 as shall be prescribed in the lease. Except as may otherwise be
170 expressly stated in the agreement of lease or loan agreement, to
171 provide for any contingencies involving the damaging,
172 destruction, or condemnation of the project financed or
173 refinanced ~~leased~~ or any substantial portion thereof, such
174 option to purchase may not be exercised unless all bonds issued

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175 for such project, including all principal, interest, and
176 redemption premiums, if any, and all other obligations incurred
177 by the authority in connection with such project, shall have
178 been paid in full or sufficient funds shall have been deposited
179 in trust for such payment. The purchase price of such project
180 shall not be less than an amount sufficient to pay in full all
181 of the bonds, including all principal, interest, and redemption
182 premiums, if any, issued for the project then outstanding and
183 all other obligations incurred by the authority in connection
184 with such project.

185 Section 4. Paragraph (b) of subsection (4) of section
186 154.219, Florida Statutes, is amended to read:

187 154.219 Revenue bonds.—

188 (4) Any resolution or resolutions authorizing any revenue
189 bonds or any issue of revenue bonds may contain provisions which
190 shall be a part of the contract with the holders of the revenue
191 bonds to be authorized, as to:

192 (b) The rentals, loan payments, fees, and other charges to
193 be charged, the amounts to be raised in each year thereby, and
194 the use and disposition of the revenues.

195 Section 5. Section 154.221, Florida Statutes, is amended to
196 read:

197 154.221 Security of bondholders.—In the discretion of the
198 authority, any bonds issued under ~~the provisions of~~ this part
199 may be secured by a trust agreement by and between the authority
200 and a corporate trustee, which may be any trust company or bank
201 having the powers of a trust company within or outside ~~without~~
202 the state. Such trust agreement or resolution providing for the
203 issuance of such bonds may pledge or assign the fees, rents,

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204 charges, or proceeds from the sale of any project or part
205 thereof, insurance proceeds, condemnation awards, and other
206 funds and revenues to be received therefor, and may provide for
207 the mortgaging of any project or any part thereof as security
208 for repayment of the bonds. Such trust agreement or resolution
209 providing for the issuance of such bonds shall contain such
210 provisions for protecting and enforcing the rights and remedies
211 of the bondholders as may be reasonable and proper and not in
212 violation of law, including covenants setting forth the duties
213 of the authority in relation to the acquisition of property and
214 the construction, improvement, maintenance, repair, operation,
215 and insurance of the project or projects in connection with
216 which such bonds shall have been authorized; the fees, rents,
217 loan payments, and other charges to be fixed and collected; the
218 sale of any project, or part thereof, or other property; the
219 terms and conditions for the issuance of additional bonds; and
220 the custody, safeguarding, and application of all moneys. It
221 shall be lawful for any bank or trust company incorporated under
222 the laws of the state which may act as depositary of the
223 proceeds of bonds, revenues, or other money hereunder to furnish
224 such indemnifying bonds or to pledge such securities as may be
225 required by the authority. Any such trust agreement or
226 resolution shall set forth the rights and remedies of the
227 bondholders and of the trustee and may restrict the individual
228 right of action by bondholders. In addition to the foregoing,
229 any such trust agreement or resolution may contain such other
230 provisions as the authority may deem reasonable and proper for
231 the security of the bondholders. All expenses incurred in
232 carrying out the provisions of such trust agreement or

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233 resolution may be treated as a part of the cost of the project
234 or projects in connection with which bonds are issued or as an
235 expense of administration of such projects, as the case may be.

236 Section 6. Section 154.225, Florida Statutes, is amended to
237 read:

238 154.225 Revenues.—

239 (1) The authority is hereby authorized to fix and to
240 collect fees, rents, loan payments, and charges for the use of
241 any project or projects and any part or section thereof. The
242 authority may require that the health facility operating any
243 project or any part thereof financed or refinanced under this
244 chapter or the lessee of any project or part thereof shall
245 operate, repair, and maintain the project and bear the cost
246 thereof and other costs of the authority in connection with the
247 project or projects financed or refinanced ~~leased~~ as may be
248 provided in the agreement of lease, loan agreement, or other
249 contract with the authority, in addition to other obligations
250 imposed under such agreement or contract.

251 (2) The fees, rents, loan payments, and charges shall be so
252 fixed as to provide a fund sufficient to pay the principal of,
253 and the interest on, such bonds as the same shall become due and
254 payable and to create reserves, if any, deemed by the authority
255 to be necessary for such purposes. The fees, rents, loan
256 payments, charges, and all other revenues and proceeds derived
257 from the project or projects in connection with which the bonds
258 of any issue shall have been issued, except such part thereof as
259 may be necessary for such reserves or any expenditures as may be
260 provided in the resolution authorizing the issuance of such
261 bonds or in the trust agreement securing the same, shall be set

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262 aside at such regular intervals as may be specified in such
263 resolution or such trust agreement in a sinking fund which is
264 hereby pledged to, and charged with, the payment of the
265 principal of and the interest on such bonds as the same shall
266 become due and the redemption price or the purchase price of
267 bonds retired by call or purchase as therein provided. Such
268 pledge shall be valid and binding from the time when the pledge
269 is made. The fees, rents, loan payments, charges, and other
270 revenues and moneys so pledged and thereafter received by the
271 authority shall immediately be subject to the lien of such
272 pledge without any physical delivery thereof or further act, and
273 the lien of any such pledge shall be valid and binding as
274 against all parties having claims of any kind in tort, contract,
275 or otherwise against the authority, irrespective of whether such
276 parties have notice thereof. The use and disposition of money to
277 the credit of such sinking fund shall be subject to the
278 provisions of the resolution authorizing the issuance of such
279 bonds or of such trust agreement. Except as may otherwise be
280 provided in the resolution or the trust agreement, the sinking
281 fund shall be a fund for all such bonds without distinction or
282 priority of one over another.

283 Section 7. Subsection (1) of section 154.235, Florida
284 Statutes, is amended to read:

285 154.235 Refunding bonds.—

286 (1) The authority is hereby authorized to provide for the
287 issuance of revenue bonds for the purpose of refunding:

288 (a) Any of its revenue bonds then outstanding; and

289 (b) Revenue bonds of other issuers, the proceeds of which
290 were used to finance or refinance projects of one or more health

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291 facilities.

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293 Such refunds may include,~~including~~ the payment of any
294 redemption premium thereon and any interest accrued or to accrue
295 to the earliest or subsequent date of redemption, purchase, or
296 maturity of such revenue bonds.

297 Section 8. Section 154.247, Florida Statutes, is amended to
298 read:

299 154.247 Financing of projects located outside of local
300 agency.~~Notwithstanding any provision of this part to the~~
301 contrary, an authority may, if it finds that there will be a
302 benefit or a cost savings to a health facility located within
303 its jurisdiction, issue bonds for such health facility to
304 finance projects for such health facility, or for another
305 private corporation or other entity or association organized
306 not-for-profit corporation under common control with such health
307 facility, located outside the geographical limits of the local
308 agency or outside this state.

309 Section 9. This act shall take effect July 1, 2025.