The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL:	SB 1122
INTRODUCER:	Senators Gruters and Calatayud
SUBJECT:	Activities of Special Districts
DATE:	February 2, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Shuler	Fleming	CA	**Pre-meeting**
2.			JU	
3.			RC	

I. Summary:

SB 1122 grants broad authority to special districts operating as hospital districts to enter into joint relationships or collaborations. Under the bill, two or more hospital districts are allowed to enter into any joint relationship or collaboration anywhere within either or all of the participating districts. Specifically, the bill authorizes them to jointly enter into, participate in, establish, and control any venture, partnership, corporation, business entity, organization, joint operating network, service line, facility, or any other joint relationship or collaboration, whether public or private, for-profit or non-profit.

The bill provides legislative findings and declarations establishing that the act serves a public purpose; that quality, cost efficient medical care is a necessity; and that hospital district collaborations benefit Florida residents and are important and necessary for the preservation of public health and welfare.

The bill declares that the parties to the collaboration have state action immunity and may exercise the powers to collaborate regardless of the purposes, effects, or that they may be deemed to violate state or federal antitrust laws. The grant of authority to enter into joint relationships or collaborations supersedes and controls over any inconsistent or conflicting general or special law.

The bill takes effect upon becoming a law.

II. Present Situation:

Special Districts

A "special district" is a unit of local government created for a particular purpose, which has jurisdiction to operate within a limited geographic boundary.[1] Special districts are created by general law, special act, local ordinance, or rule of the Governor and Cabinet.[2] A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district's charter.[3] Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.[4] Special districts are funded through the imposition of ad valorem taxes, fees, or charges on the users of those services as authorized by law.[5]

Special districts may be classified as dependent or independent based on their relationship with local general-purpose governments. A special district is classified as "dependent" if the governing body of a single county or municipality:

- Serves as governing body of the district;
- Appoints the governing body of the district;
- May remove members of the district's governing body at-will during their unexpired terms; or
- Approves or can veto the budget of the district.[6]

A district is classified as "independent" if it does not meet any of the above criteria or is located in more than one county, unless the district lies entirely within the boundaries of a single municipality.[7]

Special districts do not possess "home rule" powers and may impose only those taxes, assessments, or fees authorized by special or general law.[8] The special act creating an

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[1] Section 189.012(6), F.S. *See also Halifax Hosp. Med. Ctr. v. State*, 278 So. 3d 545, 547 (Fla. 2019).
[2] Section 189.012(6), F.S. *See also* ss. 189.02(1), 189.031(3), and. 190.005(1), F.S.
[3] FLA. HOUSE INTERGOVERNMENTAL AFFAIRS SUBCOMM., *The Local Government Formation Manual*, 56, *available at* https://www.flhouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3304&Session=2025&DocumentType=General+Publications&FileName=Local+Government+Formation+Manual+%5b2024-2026%5d.pdf (last visited Feb. 2, 2026).
[4] *Id.*
[5] The method of financing a district must be stated in its charter. Ss. 189.02(4)(g), 189.031(3), F.S. Independent special districts may be authorized to impose ad valorem taxes as well as non-ad valorem special assessments in the special acts comprising their charters. *See, e.g.*, ch. 2023-335, s. 6(6)(m) and (o) of s. 1, Laws of Fla. (East River Ranch Stewardship District). *See also, e.g.*, ss. 190.021 (community development districts), 191.009 (independent fire control districts), 298.305 (water control districts), 388.221, F.S. (mosquito control), ch. 2004-397, s. 27 of s. 3, Laws of Fla. (South Broward Hospital District; authorizing the levy of an ad valorem tax) and ch. 2006-347, s. 13 of s. 3, Laws of Fla. (North Broward Hospital District; authorizing the levy of an ad valorem tax).
[6] S. 189.012(2), F.S.
[7] S. 189.012(3), F.S.
[8] *See* Art. VII, s. 9(a), Fla. Const.; *see also State ex rel. City of Gainesville v. St. Johns River Water Mgmt. Dist*., 408 So. 2d 1067 (Fla. 1st DCA 1982).

independent special district may provide for funding from a variety of sources while prohibiting others. For example, ad valorem tax authority is not mandatory for a special district.[9]

Hospital and Health Care Districts

Hospital districts are a type of independent special district specializing in the provision of health care services. As of January 29, 2026, there are 28 special districts classified as hospital or health care districts.[10] The charters of hospital districts generally possess a set of core features: a board appointed by the Governor, the authority to build and operate hospitals, the power of eminent domain, the ability to issue bonds payable from ad valorem taxes, the use of ad valorem revenue to be used for operating and maintaining hospitals, and a provision that the facilities be established for the benefit of the indigent sick.[11]

Florida Hospital and Health Care Districts	
Dependent Special Districts	
Carrabelle Hospital Tax District	Hillsborough County Hospital Authority
Gadsden County Hospital	Marion County Hospital District
Highlands County Hospital District	
Independent Special Districts	
Baker County Hospital District	Jackson County Hospital District
Bay Medical Center	Lake Shore Hospital Authority
Cape Canaveral Hospital District	Lower Florida Keys Hospital District
Citrus County Hospital Board	Madison County Health and Hospital District
DeSoto County Hospital District	North Brevard County Hospital District
Doctors Memorial Hospital	North Broward Hospital District
George E. Weems Memorial Hospital	North Lake County Hospital District
Halifax Hospital Medical Center	Sarasota County Public Hospital District
Hamilton County Memorial Hospital	South Broward Hospital District
Health Care District of Palm Beach County	Southeast Volusia Hospital District
Hendry County Hospital Authority	West Volusia Hospital Authority
Indian River County Hospital District	

Hospital District Operation and Collaboration Authority

The Legislature has declared that the best security for special districts' special purpose is through "certain minimum standards of accountability designed to inform the public and appropriate local general-purpose governments of the status and activities of special districts."[12] As special

[9] See, e.g., ch. 2006-354, Laws of Fla. (Argyle Fire District may impose special assessments, but has no ad valorem tax authority).
[10] Dept. of Commerce, *Official List of Special Districts*, https://specialdistrictreports.floridajobs.org/OfficialList/CustomList (last visited Feb. 2, 2026).
[11] Florida TaxWatch, *Florida's Fragmented Hospital Taxing District System in Need of Reexamination*, Briefings (Feb. 2009), *available at* https://floridataxwatch.org/DesktopModules/EasyDNNNews/DocumentDownload.ashx?portalid=210&moduleid=34407&articleid=16012&documentid=427 (last visited Feb. 2, 2026).
[12] Section 189.011, F.S.

districts, hospital districts are required to comply with the creation, dissolution, and reporting requirements of chapter 189, F.S., regardless of the existence of other, more specific provisions of applicable law.[13] Chapter 189, F.S., provides minimum standards encompassing a broad range of special districts operations including meeting notice requirements,[14] budgeting procedures,[15] elections,[16] and general oversight and accountability.[17]

Merger or Dissolution of Special Districts

The procedures for merger or dissolution of a special district under chapter 189 differ depending on the status of the district as dependent or independent, and the method for creating the district.

In the case of a dependent special district, it may be dissolved or merged by ordinance by the general-purpose governmental entity governing the area where the district or districts are located.[18] If created by special act, another special act or general law is required.[19] Inactive dependent special districts may be dissolved or merged by special act without referendum.[20]

Voluntary dissolution of independent special districts created by special act requires the district's governing body to vote, then legislative action is required, and the special act is subject to referendum.[21] If created by referendum or other procedure, the county or municipality that created it may dissolve the independent special district by referendum or the same creating procedure.[22] However, if the independent special district had ad valorem taxation powers, the method for granting such powers must be used to dissolve the district.[23] Inactive independent special districts may be dissolved by special act without referendum, or, if created by a referendum, then the county or municipality may dissolve it after publishing notice.[24]

The Legislature may merge independent special districts by special act.[25] Voluntary merger of two or more contiguous independent special districts created by special act which have similar functions and elected governing bodies is possible if initiated by joint resolution of their governing bodies or elector initiative petition.[26] If initiated by resolution of the governing bodies, the districts must develop a plan, hold hearings, and ultimately schedule separate referenda in each component district.[27] If initiated by elector initiative, a petition signed by at least 40 percent

[13] Section 189.013, F.S.
[14] Section 189.015, F.S.
[15] Section 189.016, F.S.
[16] Part IV, ch. 189, F.S.
[17] Part VI, ch. 189, F.S.
[18] Section 189.071, F.S.
[19] *Id.*
[20] *Id.*
[21] Section 189.072, F.S.
[22] *Id.*
[23] *Id.*
[24] *Id.*
[25] Section 189.073, F.S.
[26] Section 189.074, F.S.
[27] *Id.*

of the qualified electors of each component district must be filed.[28] Just as with the resolution-initiated merger, development of a plan, hearings, and a referendum are required.[29]

Involuntary merger may be effectuated for independent special districts created by special act through passage of a special act and subsequent referendum.[30] A county or municipality may also merge independent special districts they create by referendum or the procedure by which the district was created.[31] If the independent special district has ad valorem taxation powers, the method for granting such powers must be used to for the merger.[32] A special act may merge inactive special districts without referendum.[33]

Part VII of chapter 189, F.S. prescribes requirements for handling of assets, debts, liabilities and following dissolution or merger of special districts. Following merger of independent special districts, all property and "all rights, privileges, and franchises" of the respective component districts are deemed transferred to the resulting merged independent district.[34]

Interlocal Agreements

The purpose of the Florida Interlocal Cooperation Act of 1969, codified at s. 163.01, F.S., is to permit local governmental units, including special districts, to use their powers to cooperate with other localities to provide services and facilities .[35] Under the act, special districts "may exercise jointly with any other public agency of the state, of any other state, or of the United States Government any power, privilege, or authority which such agencies share in common and which each might exercise separately."[36] The section requires a contract which must be filed with the clerk of the circuit court of each county where a party to the agreement is located.[37]

Recently, the Florida Supreme Court issued an opinion regarding the authority of one hospital district to act pursuant to interlocal agreements in *Halifax Hospital Medical Center v. State*.[38] The Halifax Hospital Medical Center, a hospital district created by special act in 1925 entered into an interlocal agreement with the City of Deltona to undertake the construction of a hospital outside the boundaries of the hospital district.[39] Halifax sought to validate bonds for the project, which the court upheld were properly denied.[40] The court found that neither the enabling special act for the district or the Interlocal Act granted authority for Halifax to operate outside its geographic boundaries, however the case was limited to its facts as the court stated that it was "not the proper forum for a policy decision as to whether Halifax or any other special district should be allowed to operate extraterritorially."[41]

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[28] *Id.*
[29] *Id.*
[30] Section 189.075, F.S.
[31] *Id.*
[32] *Id.*
[33] *Id.*
[34] Section 189.074, F.S.
[35] Section 163.01(2), F.S.
[36] Section 163.01(4), F.S.
[37] Section 163.01(11), F.S.
[38] *Halifax Hosp. Med. Ctr. v. State*, 278 So. 3d 545 (Fla. 2019).
[39] *Id.*
[40] *Id.*
[41] *Id.* at 551.

Lease or Sale of Local Government Hospitals or Hospital Systems

Current law authorizes the sale or lease of local government owned hospitals.[42] The governing board of the hospital or hospital system must find that the sale or lease is in the best interest of the affected community[43] and must state the basis of the finding.[44] The governing board is responsible for determining the terms of the lease, sale, or contract.[45] The hospital or hospital system may be leased or sold to a for-profit or a not-for-profit Florida entity, but the lease, contract, or agreement must:

- Subject the articles of incorporation of the lessee or buyer to approval by the board of the hospital.
- Require that not-for-profit lessees or buyers become qualified under s. 501(c)(3) of the United States Internal Revenue Code.
- Provide for orderly transition of operations and management.
- Provide for return of the facility upon termination of the lease, contract, or agreement.
- Provide for continued treatment of the indigent sick.[46]

The lease, sale, or contract must be done through a public process that includes public notice, detailed findings regarding the accepted proposal, and approval by the Secretary of the Agency of Health Care Administration (AHCA).[47] If a hospital is sold, all tax authority associated with the hospital ceases.[48] Fifty percent of the proceeds from the sale or lease must be deposited into a health care economic development trust fund serving specified health care related purposes.[49] The district board must appropriate the other 50 percent to funding to care for the indigent sick.[50] Other taxing, financial, and liability considerations are provided by the law, including prohibitions on the transfer of government functions.[51] A streamlined process is provided if the property represents less than 20 percent of the hospital's net revenue.[52]

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[42] Section 155.40, F.S.
[43] "Affected community" means those persons residing within the geographic boundaries defined by the charter of the county, district, or municipal hospital or health care system, or if the boundaries are not specifically defined by charter, by the geographic area from which 75 percent of the county, district, or municipal hospital's or health care system's inpatient admissions are derived. S. 155.40(4)(a), F.S.
[44] Section 155.40, F.S.
[45] *Id.*
[46] Continued treatment of the indigent sick must comply with the Florida Health Care Responsibility Act and pursuant to chapter 87-92, Laws of Florida. S. 155.40(2)(e), F.S. Ss. 154.301-154.316, F.S., are the Florida Health Care Responsibility Act. S. 154.301, F.S.
[47] Section 155.40, F.S.
[48] Section 155.40(15), F.S.
[49] Section 155.40(16)(a), F.S. The trust fund is controlled by the local government where the leased or sold property is located. The net proceeds in trust fund shall be distributed, in consultation with the Department of Economic Opportunity, to promote job creation in the health care sector of the economy through new or expanded health care business development, new or expanded health care services, or new or expanded health care education programs or commercialization of health care research within the affected community.
[50] Section 155.40(16)(b), F.S. Funding the delivery of indigent care, includes, but not limited to, primary care, physician specialty care, out-patient care, in-patient care, and behavioral health, to hospitals within the boundaries of the district with consideration given to the levels of indigent care provided.
[51] Section 155.40(17)-(21), F.S.
[52] Section 155.40(22), F.S.

Antitrust Laws

In 1890, Congress passed the first antitrust law, the Sherman Act, as a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. Congress subsequently passed two additional antitrust laws in 1914: the Federal Trade Commission Act, which created the Federal Trade Commission (FTC), and the Clayton Act. Currently, these are the three core federal antitrust laws.[53]

The Sherman Act

The Sherman Act outlaws every contract, combination, or conspiracy in restraint of trade, and any monopolization, attempted monopolization, or conspiracy or combination to monopolize. The Sherman Act does not prohibit every restraint of trade – only those that are unreasonable. For example, an agreement between two individuals to form a partnership may restrain trade, but may not do so unreasonably, and thus may be lawful under the antitrust laws. In contrast, certain acts are considered "per se" violations of the Sherman Act because they are harmful to competition. These include plain arrangements among competing individuals or businesses to fix prices, divide markets, or rig bids.[54]

The Federal Trade Commission Act

The Federal Trade Commission Act prohibits unfair methods of competition and unfair or deceptive acts or practices. The U.S. Supreme Court has ruled that all violations of the Sherman Act also violate the FTC Act. Therefore, the FTC can bring cases under the FTC Act against the same kinds of activities that violate the Sherman Act. The FTC Act also reaches other practices that harm competition but may not fit neatly into categories of conduct formally prohibited by the Sherman Act. Only the FTC may bring cases under the FTC Act.[55]

The Clayton Act

The Clayton Act addresses specific practices that the Sherman Act does not clearly prohibit, such as mergers and interlocking directorates.[56] It also bans mergers and acquisitions where the effect may substantially lessen competition or create a monopoly. As amended by the Robinson-Patman Act of 1936, the Clayton Act also prohibits certain discriminatory prices, services, and allowances in dealings between merchants. The Clayton Act was amended again in 1976 by the Hart-Scott-Rodino Antitrust Improvements Act to require companies planning large mergers or acquisitions to notify the government of their plans in advance. Additionally, private parties are authorized to sue for triple damages when they have been harmed by conduct that violates either the Sherman or Clayton Act and to obtain a court order prohibiting the anticompetitive practice prospectively.[57]

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[53] FEDERAL TRADE COMMISSION, *The Antitrust Laws*, https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/antitrust-laws (last visited Feb. 2, 2026).
[54] *Id.*
[55] *Id.*
[56] "Interlocking directorates" means the same person making business decisions for competing companies. *Id.*
[57] *Id.*

State Action Immunity Doctrine

The state action immunity doctrine originated with the Supreme Court's *Parker v. Brown*[58] decision which held that, because states are sovereign entities, Congress did not intend for the Sherman Act to apply to the sovereign activities of the states themselves. As a result of this decision, in limited circumstances, the anticompetitive activities of certain nonsovereign governmental entities may be shielded from federal antitrust scrutiny.[59] Generally, given the values of free enterprise and economic competition embodied in the antitrust laws, state-action immunity is disfavored.[60] For immunity to attach, the activities must meet a two-prong test: (1) they must be undertaken pursuant to a "clearly articulated and affirmatively expressed" state policy to displace competition, and (2) the policy must "be actively supervised by the state."[61] In *North Carolina State Board of Dental Examiners v. Federal Trade Commission*, the Supreme Court clarified the active supervision prong to specify that the supervisor must review the substance of the anticompetitive decision, not merely the procedures followed to produce it; the supervisor must have the power to veto or modify particular decisions to ensure they accord with state policy; and the mere potential for state supervision is not an adequate substitute for a decision by the State.[62]

Florida Antitrust Laws

Florida law also provides protections against anticompetitive practices. Part I of chapter 542, F.S., the Florida Antitrust Act of 1980, is intended to complement the body of federal law prohibiting restraints of trade or commerce in order to foster effective competition.[63] It outlaws every contract, combination, or conspiracy in restraint of trade or commerce in Florida[64] and any person from monopolizing or attempting or conspiring to monopolize any part of trade.[65]

Florida's Certificate of Public Advantage Law

Certificate of Public Advantage ("COPA") laws are a tool used by states to protect hospital mergers from antitrust laws and FTC challenges. In states with COPA laws, officials allow hospitals to merge if they determine the likely benefits outweigh any disadvantages from reduced competition and increased consolidation. COPA laws often impose terms and conditions intended to mitigate harms from a loss of competition, such as price controls and rate regulations, mechanisms for sharing cost savings and efficiencies, and commitments about certain contractual provisions between hospitals and commercial health insurers.[66]

Florida's version of a COPA law, s. 381.04065, F.S., allows for rural health network cooperative agreements. The intent of the law is that "competitive market forces shall be replaced with state

[58] 317 U.S. 341 (1943).
[59] FEDERAL TRADE COMMISSION, *FTC Denies State Dental Boards Dismissal Motion on State Action Grounds*, (July 30, 2004) https://www.ftc.gov/news-events/news/press-releases/2004/07/ftc-denies-state-dental-boards-dismissal-motion-state-action-grounds (last visited Feb. 2, 2026).
[60] *Fed. Trade Comm'n v. Phoebe Putney Health Sys., Inc.*, 568 U.S. 216 (2013).
[61] *Id.*
[62] *N.C. State Bd. of Dental Examiners v. Fed. Trade Comm'n*, 574 U.S. 494 (2015).
[63] Section 542.16, F.S.
[64] Section 542.18, F.S.
[65] Section 542.19, F.S.
[66] FEDERAL TRADE COMMISSION, *FTC Policy Perspectives on Certificates of Public Advantage* (Aug. 15, 2022), *available at* https://www.ftc.gov/system/files/ftc_gov/pdf/COPA_Policy_Paper.pdf (last visited Feb. 2, 2026).

regulation." Further, the Legislature specifies its intent that the consolidation of hospital services or technologies and cooperative agreements between rural health networks not violate the state's antitrust laws and be protected from federal antitrust laws, when such arrangements improve the quality of health care, moderate cost increases, and are made between members of rural health networks. Providers seeking to consolidate services may seek approval from the Department of Health, which is authorized to consult with the Department of Legal Affairs. The Department of Health must determine whether the likely benefits resulting from the agreement outweigh any disadvantages attributable to any potential reduction in competition resulting from the agreement, and approve agreements otherwise meeting specified criteria. The Department of Health must review each approved agreement every 2 years and initiate termination of the agreement if it finds the likely benefits resulting from its state action approval no longer outweigh any disadvantages attributable to any potential reduction in competition resulting from the agreement.[67]

III. Effect of Proposed Changes:

SB 1122 grants broad authority to special districts operating as hospital districts to enter into joint relationships or collaborations.

The bill prefaces the grant of authority with legislative findings and declarations establishing that the act serves a public purpose; that quality, cost efficient medical care is a necessity; and that hospital district collaborations benefit Florida residents by improving health care services access, strengthening health care services provider integration, and promoting care continuity, and are important and necessary for the preservation of public health and welfare.

Under the bill, two or more hospital districts are allowed to enter into any joint relationship or collaboration anywhere within either or all of the participating districts. Specifically, the bill authorizes them to jointly enter into, participate in, establish, and control any venture, partnership, corporation, business entity, organization, joint operating network, service line, facility, or any other joint relationship or collaboration, whether public or private, for-profit or non-profit.

The bill declares that the parties have state action immunity under Florida's laws and constitution, and may exercise the powers to collaborate regardless of the purposes, effects, or that they may be deemed to violate state or federal antitrust laws.

The bill states that the grant of authority to enter into joint relationships or collaborations supersedes and controls over any inconsistent or conflicting general or special law.

The bill takes effect upon becoming a law.

[67] Section 381.04065, F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The bill does not require counties or municipalities to spend funds or limit their authority to raise revenue or receive state-shared revenues, therefore the provisions of Article VII, s. 18 of the Florida Constitution do not apply.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

Article VI, Clause 2 of the United States Constitution provides that "the Laws of the United States . . . shall be the supreme Law of the Land . . ." Known as the Supremacy Clause, this clause is the foundation for the concept of federal preemption. Conflict preemption occurs where compliance with both federal and state law is impossible or where state law poses an obstacle to federal objectives.[68]

Despite the bill authorizing hospital districts to exercise powers regardless of whether they are in violation of federal antitrust law, a joint relationship or collaboration that is determined by the FTC or a court to be in violation of federal antitrust law would arguably not be allowed to remain in effect because federal antitrust law has preempted, and thus controls, state law pursuant to the Supremacy Clause.

Furthermore, state action immunity is a doctrine developed by the Supreme Court in their *Parker v. Brown* opinion, and therefore requires fulfillment of the test articulated and refined by the Court in that opinion and subsequent cases. It cannot be conferred by legislative decree. While SB 1122 likely satisfies the first prong by clearly articulating and affirmatively expressing a state policy supporting hospital district collaboration, the bill likely would not meet the second prong. The second prong would require the bill to include provisions regulating active supervision by the state, including review of and the power to veto or modify a collaboration. The bill arguably does not satisfy the active supervision prong of the test because of the broad grant of authority to hospital districts to collaborate in practically any manner without limitation, the lack of any requirement for an agreement, no specification of the form or contents of the agreement, no

[68] Library of Congress, *ArtVI.C2.1 Overview of Supremacy Clause*, https://constitution.congress.gov/browse/essay/artVI-C2-1/ALDE_00013395/ (last visited Feb. 2, 2026).

requirement for the state to review or approve an agreement, and no requirement for the state to supervise or review the collaboration after it is initiated.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Independent hospital districts seeking to collaborate may experience reduced costs from simpler, expedited procedures compared to other provisions in law.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Powers of Special Districts

Courts of this state have maintained that much like agencies, since special districts are created by the Legislature, they only have the powers expressly granted to them or necessarily implied.[69] Though the Florida Supreme Court declined to extend the aforementioned *Halifax*[70] case beyond its facts, the opinion is arguably relevant to this bill. *Halifax* involved an independent hospital district making an interlocal agreement for a project outside of its boundaries. The core issue was that neither the district's enabling special act nor any statute authorized it to exercise those powers. SB 1122 will cause confusion in implementation because it grants broad authority to hospital districts to exercise powers to collaborate and states that this grant supersedes any conflicting law. It is unclear exactly which laws would conflict, as the conflicts could only be determined at the time the hospital districts initiate a collaboration, at which time it could be determined if the special acts enabling them, the provisions of chapter 189, F.S., related to mergers and dissolutions, s. 163.01, F.S., related to interlocal agreements, or the provisions of chapter 155, F.S., related to lease or sale of local government hospitals impose any limitations or otherwise would conflict with the terms of the collaboration.

Taxation Powers of Special Districts

A specially created district does not have an inherent power to tax even if it was established by or under the authority of a statute.[71] Article VII, s. 1(a), of the State Constitution provides that no tax can be levied except in pursuance of law, therefore, a specially created district possesses the

[69] *See, e.g., Board of Com'rs of Jupiter Inlet Dist. v. Thibadeau*, 956 So. 2d 529 (Fla. 4th DCA 2007).
[70] *Halifax Hosp. Med. Ctr. v. State*, 278 So. 3d 545 (Fla. 2019).
[71] *Atlantic Coast Line R. Co. v. Amos*, 115 So. 315 (Fla. 1927).

power to tax only to the extent that the power was clearly conferred or indicated by law.[72] Article VII, s. 9(a) of the State Constitution states that "special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes." The phrase "for their respective purposes" has been found to limit how special districts may expend revenues from their authorized levies.[73] SB 1122 provides no limitation on the use of taxes collected by the hospital districts pursuant to their collaborations, though they likely would be limited pursuant to Article VII, s. 9(a) of the State Constitution.

VIII. Statutes Affected:

This bill substantially amends section 181.081 of the Florida Statutes.
This bill creates an undesignated section of law.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

[72] *Id.*
[73] *See State ex rel. City of Gainesville v. St. Johns River Water Management Dist.*, 408 So. 2d 1067 (Fla. 1st DCA 1982).